

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Wednesday October 3 1984

Banks take time over Peru's stubborn little debt, Page 20

No. 29,438

D 8523 B

NEWS SUMMARY

GENERAL

Labour secretary charged in U.S.

Mr Raymond Donovan, President Ronald Reagan's controversial Secretary of Labour, was charged with fraud and grand larceny in connection with work on a New York subway contract, carried out by Donovan's Schiavone construction company shortly before he took office in 1981.

Mr Donovan immediately took unpaid leave of absence from the cabinet to contest the criminal indictment, which he claimed was a "political hatchet job," coming only five weeks before November's elections.

Mr Reagan said he had "complete trust" in Mr Donovan's integrity, but the White House is clearly hoping that his swiftly-taken leave of absence will shield the President from further embarrassment. Page 4

Protest deaths

Four black South Africans, three of them 17-year-olds, were killed as violent protests flared in black communities around Johannesburg and over 100,000 students boycotted schools.

Spain cuts jobs

Spain's Socialist Government announced cuts of more than 10,500 jobs in state-controlled steel, shipbuilding and railway industries as part of a Pt 1,800bn (\$5.8bn) industrial restructuring programme.

U.S. 'plans attack'

Nicaraguan leader Daniel Ortega Saavedra told UN that the U.S. was planning a military offensive against his country to prevent the November 4 elections.

Czech aid

Czechoslovak trade unions are sending five tonnes of food aid to Britain to help striking miners, Prague radio reported.

Brussels bomb

A bomb exploded in the Evre district of Brussels causing millions of francs of damage but no casualties. The hitherto unknown "Chosen Communist Fighters" claimed responsibility.

Refugees stay put

Forty-eight East Germans who sought refuge in the West German embassy in Prague last week in a bid to gain exit visas to West Germany were still refusing to leave, West German television reported.

Imports banned

Israel banned the import of 50 items ranging from motor cars to chocolates for six months. It also increased the compulsory deposit on imported items from 15 per cent to 40 per cent in an attempt to ease the drain on the country's dwindling foreign currency reserves. Earlier report, Page 6

Swiss first

Dr Elisabeth Kopp, elected to the Federal Council to succeed Justice Minister Dr Rudolf Friedrich, became Switzerland's first woman cabinet minister. Page 2

Secrets charge

U.S. Navy intelligence analyst Samuel Morrison was charged in Washington with selling secret photographs of a Soviet aircraft carrier to Jane's Defence Weekly, a British magazine.

Egypt raises taxes

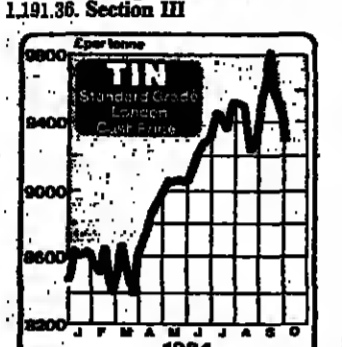
Egypt increased taxes on higher-paid citizens two days after riots by workers in the Nile Delta over rising food prices.

BUSINESS

Corriere della Sera sale imminent

CORRIERE DELLA SERA, Italy's leading newspaper, and other parts of the Rizzoli publishing group are expected to be sold shortly to a consortium including Fiat, Pirelli, the Bonomi family's Invest group and Mediobanca. Page 3

WALL STREET: The Dow Jones industrial average closed down 7.62 at 1,191.36. Section III



DOLLAR weakened in London, easing to DM 3.0425 (DM 3.0615). SwFr 2.5085 (SwFr 2.5175). FFf 9.325 (FFf 9.385) and Y246.0 (Y246.4). Its trade-weighted index slipped from 141.7 to 141.3. Page 30

STERLING showed little change in London, finishing at \$1.2395 (\$1.2375). DM 3.77 (DM 3.785). SwFr 3.11 (SwFr 3.1175). FFf 11.5675 (FFf 11.605) and Y304.5 (Y304.75). Its trade-weighted index was unchanged at 70.5. Page 30

GOLD rose \$0.50 an ounce on the London bullion market to \$346.25. It was also higher in Frankfurt at \$348.50 and in Zurich at \$348.75. In New York the October Comex settlement was \$347.20.

TOKYO dipped lower following a wave of blue-chip selling. The Nikkei-Dow market average sheet 113.74 to 10,540.05. Section III

LONDON was recovered from the Johnson Matthey affair with subdued activity in all but Government securities. The FT Industrial ordinary index, however, closed up 1.7 at 758.6. Section III

WEST GERMANY has begun talking delivery of natural gas under the controversial contract signed with the Soviet Union three years ago.

IRELAND plans to reduce public sector borrowing from 17 per cent of GNP to just over 11 per cent by 1987, mainly through cuts in capital spending and tight controls on public sector pay. Page 3

DART & KRAFT, U.S. food and consumer goods group, is paying \$290m for CFS Continental, a Chicago food distributor. Page 23

LEBANON central bank introduced strict controls on foreign currency trading after stepping in to support the Lebanese pound, which fell to a new low against the dollar.

SPERRY and McDonnell Douglas of the U.S. and Britain's Rolls Royce and British Aerospace have won a \$430m U.S. Navy contract to develop a training aircraft.

SECURITY PACIFIC, the expanding U.S. bank group, has acquired Hoenig, a New York Stock Exchange member specialising in block trades for institutions. Page 21

PICK'N PAY, the South African supermarket chain increased pre-tax income in the first half to R22m (\$13.03m) on turnover of R45m. Page 22

BOSKALIS Westminster, the troubled Dutch dredging and construction group, is considering withdrawing from all non-dredging activities. Page 22

FABRIQUE Nationale Herstale, the Belgium arms and aeronautics group, expects 1984 turnover to rise by 15 per cent to Bfr 20bn (\$32.2m). Page 22

CONTINENTAL Illinois the Chicago bank, plans to cut assets and staffing level next year as part of a long-term strategy. Page 21

Kinnock stand against violence reasserts leadership

MR NEIL KINNOCK, leader of Britain's opposition Labour Party, yesterday urged the party's annual conference to turn away from any sympathy with violence and breaking the law and instead to concentrate on seeking power by democratic means at the next general election, Peter Riddell, Political Editor, writes.

Labour, Mr Kinnock argued, was insisting that "democracy is the only system we are prepared to use to wield power." He said that Labour "cannot sharpen legality as our main weapon for the future and then simultaneously scorn legality in the present."

His condemnation of violence and illegality follows the strong criticisms at the conference on Monday of police actions during the seven-

National Coal Board officials will study a proposal for settling the UK pit dispute on Friday, but board officials were last night said to be unenthusiastic about the plan put to them

month miners' strike. There have also been repeated calls at fringe meetings at the conference, which is being held in Blackpool, north-west England, to challenge government legislation on trade union and local government issues.

Mr Kinnock's speech, his most rousing and successful since he became party leader a year ago clearly delighted centre-right trade union leaders and Shadow Cabinet members. One senior party spokes-

man commented that the speech should help to restore Mr Kinnock's authority and Labour's public standing after his defeat on Monday over proposals for the party's reselection of MPs and after the one-sided police and coal strike debates. But the spokesman conceded that the considerable damage done on Monday would take time to repair.

Mr Kinnock was warmly applauded throughout his speech, partly because some of his warnings were skillfully coded to avoid open dissent.

The Labour leader outlined no new policies but he did highlight the shift in the party's thinking on unemployment. Instead of the previous pledge to cut unemployment back to its late 1970s level, he offered "a new concept of full employment."

He said that this would not be the full employment conceived in the

1940s when people, mostly men, depended upon work for over 40 hours a week between the ages of 16 and 65.

Instead, he urged a strategy for investment and for sponsoring the growth of production and demand. He emphasised that the results must not only increase demand for workers but must also decrease the supply of people seeking employment through a shorter working year and a shorter working life.

On the coal dispute, Mr Kinnock argued that Mrs Margaret Thatcher, the Prime Minister, had "too rational an economic cause for maintaining the dispute, either on costs or potential savings. He accused the Government of creating "the condi-

Continued on Page 20

Ministers sidestep deadlock on EEC funding

By Quentin Peel in Luxembourg

BRITAIN WAS last night again facing the combined persuasive powers of its nine EEC partners to accept some delay in payment of its promised budget rebate and thus allow the Ten to reach agreement on financing the immediate cash crisis of the Community.

An alternative plan would require West Germany to compromise on its insistence that long-term contributions to the EEC can only be increased in 1986, when Spain and Portugal are due to become new members.

Foreign ministers of the Ten met throughout the day in an effort to break the deadlock over EEC finance which has left the Community in danger of running out of funds for its farm spending by the end of the month, and with only three days left to finalise a budget for 1985.

Their problem has been to find some way of allowing Britain its promised Ecu 1bn (\$738m) budget rebate for 1984, payable in the form of reduced budget contributions in 1985, when the Community is already certain to overspend its existing resources in the course of the year.

Without any solution, Britain has refused to sanction any increase in finance for the EEC this year - with overspending forecast by the European Commission at some Ecu 1.8bn - and has withheld approval of the 1985 budget, which has to be submitted to the European Parliament by Friday.

Yesterday's compromise, supported by all the members except Britain, would solve the problems of overspending in both 1984 and 1985 in one common agreement between member governments to provide extra money totalling Ecu 2.3bn in the form of an advance.

Britain would contribute nothing under this arrangement, thereby recouping some Ecu 400m of its Ecu 1bn rebate. The problem for Sir Geoffrey Howe, the British Foreign Secretary, is that the remaining Ecu 500m would only be available after January 1 1986, and not during 1985 as promised.

The compromise was put forward after Herr Hans-Dietrich Genscher, West Germany's Foreign Minister, refused to accept an alternative - again supported by nine of the Ten - under which member states' contributions would have been increased from the existing 1 per cent VAT ceiling to 1.2 per cent next

Continued on Page 20

INSTITUTIONAL INVESTORS CRITICISE TERMS

British central bank chief defends rescue of Johnson Matthey

BY DAVID LASCELLES AND RAY MAUGHAN IN LONDON

THE GOVERNOR of the Bank of England said yesterday that worries about the gold market lay behind the decision by Britain's central bank to mount Monday's operation to save Johnson Matthey Bankers from collapse.

In the first public comment on the rescue, Mr Robin Leigh-Pemberton said: "It was not acceptable that a member of the London gold market should be allowed to fail."

He was speaking amid signs of strong dissatisfaction in Britain's investment community over the terms of the rescue, which will give Charter Consolidated, the mining finance and industrial investment group, effective control of Johnson Matthey's non-banking operations at what is seen as a very advantageous price.

The Governor claimed that the Bank had been fully aware of the problems emerging at JMB and that he was "perfectly satisfied that the systems of the Bank of England provided us with all the information that we actually needed."

It was also confirmed that the Bank had expressed concern about JMB's mounting loan problems some time before Arthur Young McClelland Moores, the auditors, had given the bank an unqualified report on June 18. The accountability firm refused to comment.

Mr Leigh-Pemberton, who was addressing a group of Arab bankers, said the JMB affair showed that the Bank expected "a degree of commitment and support from the

owners and controllers (of a bank) which goes beyond any purely legal obligations."

The reticence about the causes of JMB's near-collapse was maintained yesterday. But the JMB does have some loan exposure to ESAL, the troubled commodities group which has ceased trading with over \$300m in debts.

The creditors, which are mostly Indian and Middle Eastern banks, are due to put a rescue package and a winding-up petition before the Companies Court on October 15. The Bank of England, in its new role as owner of JMB, will now be involved in these proceedings.

However, it was emphasised yesterday that JMB's ESAL loans are not a major problem.

Shares in Johnson Matthey, the precious metals and chemicals group, resumed trading on the London stock market yesterday at 98p, which means that the business now has a capitalisation of £130m against £310m at the end of last week.

Charter's subscription prices of 56p contrasts with Johnson Matthey's estimated assets value of 149p per share after the rescue, or 128p on conversion of the new equity. Charter will have almost 48 per cent of Johnson Matthey on full conversion and many of the City of London's leading institutions, notably its life assurance companies, are beginning to question Charter's exclusive right to take effective control at a pronounced discount to the

prevailing market price and asset values.

One fund manager said: "If the company and its advisers are not prepared to be fully forthcoming about the facts behind this rescue, the institutions, could be very bloody-minded."

While another institutional investor recognised that "the deal was done on a Sunday afternoon when it must have seemed that the world was about to end," many funds were concerned about the quality of information coming from Johnson Matthey's senior executives when, as it now appears, the Bank of England was already expressing reservations about the quality of the banking division's loans.

A meeting between institutions and the company, held at a firm of leading stockbrokers in London in the middle of July, failed to bring out the scope of the bank's problems loans despite explicit questions concerning bad debt provisions.

Less than three weeks ago, some of the senior Bank of England officials who put together the rescue for Johnson Matthey Bankers were sitting in the ballroom of one of Rome's grandest hotels, debating precisely that how to stop a bank getting into trouble, and failing all else, whether it was the central bank's job to save it.

The gathering of more than 100

Continued on Page 20

Editorial comment, Page 18; Lex, Page 20

New rescue plan for Creusot-Loire

BY DAVID HOUSEGO IN PARIS

CREUSOT-LOIRE, the bankrupt French heavy engineering group, would suffer a smaller reduction in its labour force as a result of a new rescue package put forward by two public sector companies.

The proposals put forward yesterday by Usinor, the steel group, and Framatome, the nuclear power group, would save, it is claimed, over 1,000 jobs more than the Government-supported plan advanced by Fives-Lille, the private heavy engineering concern. It was abandoned after a hostile reception from trade unions and Creusot-Loire management.

The proposals put forward by the two groups would, according to trade union officials, result in 1,300 of the 7,856 jobs at Creusot-Loire's main works at Le Creusot, Burgundy, and neighbouring sites being lost. The original Fives-Lille plan would have resulted in 2,500 jobs being lost.

The new plan comes at a time when the Government of M Laurent Fabius has come under increasing pressure from the unions, particularly the Communist-led CGT, to keep unemployment to the mini-

Compact discs take a walk

By Robert Cottrell in Tokyo and Jason Crisp in London

SONY, the Japanese electronics group, launched the first miniature portable compact disc player yesterday in a bid to emulate its earlier success with the Walkman portable cassette player.

The player, called the D 50, to be available in Japan next month, will cost ¥49,800 (\$302) half the price of normal-sized compact disc players. It weighs 590 grammes and measures 127 mm by 133 mm by 37 mm, small enough to rest in the palm and extended fingers of one hand. (It also requires a separate battery pack if not connected to mains electricity.)

Sony is expected to launch the new player in Europe soon.

Most manufacturers of compact disc players are developing portable versions. Sony's announcement appears to have caught some other manufacturers by surprise. Philips, the Dutch electricals group which developed the compact disc system with Sony, said it would not launch

Continued on Page 20

FLYING TO JO'BURG

Now, SAA invite you to stroll along to the bar.

Fancy a drink? When you fly Super Executive Gold Class on one of our 747 SUDs to Jo'burg, you've got a choice no other airline offers.

- You can ring for service in your seat. Or you can stroll along to the in-flight bar, and help yourself. A bar? Yes, the real thing.
- Naturally, the drinks are free.
- And remember, SAA offer the only non-stop service to Jo'burg with non-stop return flights too. With the widest choice of flights and direct onward connections all over Southern Africa.

All this and more. That's why Executive Travel readers rank SAA the top airline to South Africa!

Book through your Travel Agent or let us tell you more. Contact SAA at: 251 Regent Street, London W1R 7AD. Tel: 01-734 9841. Or Waterloo Street, Birmingham. Tel: 021-443 9605. Peter Street, Manchester. Tel: 061-834 4436. Hope Street, Glasgow. Tel: 041-221 2932.

SAA SOUTH AFRICAN AIRWAYS

You make the difference

CONTENTS

Europe	2, 3
Companies	21, 23, 24
America	4
Companies	21
Overseas	6
Companies	22
World Trade	5
Britain	11
Companies	23, 26
Agriculture	38
Arts - Reviews	17
World Guide	17
Commodities	38
Crossword	38
Currents	18
Editorial comment	18
Energy Review	12
Barbours	40
Euro-options	33
Financial Futures	39
Gold	38
Int. Capital Markets	40
Letters	19
Lex	20
Lombard	19
Management	8
Market Movers	18
Men and Matters	18
Mining	26
Money Markets	39
Raw materials	38
Stock markets - Bourses	29, 31, 40
Wall Street	29-31, 40
London	33-35
Technology	10
Unit Trusts	36, 37
Weather	20

East Germany: an unhappy birthday	2
Africa: how to avert an economic disaster	18
New Zealand: Lange maps out the future	19
Management: revolution comes to Plessey	8
Technology: bomb disposal robots for industry	10
Editorial comment: banking regulation; UK politics	18
Renault restructuring: the gentle upheaval	19
The dollar: messages for the Fed	19
Lex: Johnson Matthey; BT; stock exchange	20
Italy: Rusconi finds publishing can be fun	24

EUROPEAN NEWS

Management reforms pay off in higher Soviet production

BY DAVID BUCHAN

SOVIET economic management reforms introduced under the late President Yuri Andropov at the start of this year in certain sectors and republics are already spurring labour productivity, the party newspaper Pravda said yesterday.

None of the industries affected by the reforms had applied for an increase in its workforce this year, and in many the number of workers had begun to decline, Pravda said. At the same time, industrial output nationally rose by 4.5 per cent between January and June this year above the level in the first half of 1983, and most of this came from an increase in output per worker of 4.2 per cent, according to official figures released earlier.

As a very rough generalisation, the average Soviet worker produces about two-thirds of his Western counterpart's output in comparable time. Aside from relative lack of capital investment, the poorer productivity often stems from factories having too many under-employed workers on their books, with hitherto no financial incentive to keep labour costs low.

The general aim of this year's reforms, introduced in engineering and electrical machinery

nationwide and in the food and light industries of the republics of Ukraine, Lithuania and Belorussia, is to give local managers, and to some extent unions, more flexibility in running their factories.

Under the changes, financial savings from reduced manning can be spread around in more pay for remaining workers, not reapportioned to investment or research.

The reforms are still described as experimental, but are to be extended next year into all-union ministries, such as those of Farm and Energy Machinery and Machine Tools, and into some other sectors of Latvia, Armenia, and the Russian Federation. This is one of the main continuities in policy between Mr Andropov and President Konstantin Chernenko.

But more money for workers only acts as an incentive if there are more goods to spend it on—and this year it seems there are. Retail trade turnover, a good guide to Soviet personal consumption, rose 5.1 per cent in the first half of 1984, or somewhat faster than the overall industrial growth rate.

Mr Chernenko has long made concern for consumers a theme of his speeches and writings

Poles see isolation ending

By Christopher Bobinski in Warsaw

POLAND IS emerging from the isolation imposed by the West in response to martial law nearly three years ago, according to Mr Jerzy Urban, the government spokesman.

He cited visits planned here for this month by Mr Andreas Papandreu, the Greek Prime Minister, and the Austrian and Finnish foreign ministers, as signs that Poland was no longer considered an outcast.

Mr Papandreu, due here on October 22, will be the first Nato leader to visit Poland since martial law was imposed. Sig Giulio Andreotti, Italy's Foreign Minister, and Herr Hans Dietrich Genscher, his West German counterpart, are also expected in Warsaw later this year.

Meanwhile, tough talking is likely at a meeting between General Wojciech Jaruzelski, Poland's military leader, and Cardinal Jozef Glemp, the Roman Catholic Primate.

It has been expected to take place last weekend, but will now be held in the "near future," Mr Urban said yesterday.

The Government would insist that churches no longer serve "non-religious aims," he said.

Speed limits inch nearer in West Germany

BY RUPERT CORNWELL IN BONN

DYING TREES and ever widening political agitation are steadily pushing the Government here towards overturning a hardy German shibboleth—by imposing mandatory speed limits on the country's roads and autobahns.

So far, backed by the potent motor industry lobby, it has doggedly resisted all pressure. The ministerial watchdog has been Freie Fahrt für freie Bürger, roughly translated as "in a free country everyone can drive as fast as he likes."

But the position is becoming

steadily more difficult to defend. New statistics suggest that 40 per cent of German forests are diseased, while an unpublished report from the Federal Environment Office in Berlin argues that speed limits would be a quicker and more effective means of reducing atmospheric pollution than for cars to be fitted with catalytic converters.

The centre-right coalition has already come under withering fire from the environmentalist Left for its decision last month to put back from 1986 to 1989 the introduction of such

devices, enabling cars to burn unleaded petrol.

But even the latter date could be hard to meet. Not only the motor manufacturers but, more menacingly, some of Bonn's partners in the EEC have signalled strong misgivings about such a move, especially if made by West Germany alone. Many other countries hardly conceal their view that the clearest proof of the Government's concern over its trees would be for it to bring in speed limits as are in force virtually everywhere else in Europe.

According to the Environment Office study leaked yesterday limits of 100 kph on motorways and 80 kph on ordinary roads would slash nitric oxide emissions—held to be a prime villain in the forests' demise—by a fifth, and lower carbon dioxide pollution by 420,000 tonnes annually.

These figures are bitterly disputed by opponents of speed limits, inside the Government and out. They claim that the pollution benefits would be tiny, and far outweighed by greater stress for the average

citizen caused by longer journey times and more bottlenecks.

Ominously, however, the opposition Social Democrats, previously at odds over the issue, have now opted to back a parliamentary motion from the Greens urging the imposition of limits—at least until converters are in general use.

If the matter came to the vote, it could attract some support from within the coalition, not least because of the immense sensitivity of the environmental issue in national politics.

Leslie Colitt in East Berlin reviews an anniversary marred by a Soviet veto East Germans chafe under Honecker rein

FOR MONTHS, a forest of signs in every city and hamlet has proclaimed the people's fealty to the German Democratic Republic. The first German "workers' and peasants' state," its legitimacy long disputed by the West, marks its statehood every fifth year with a special fervour.

But this time, the 35th anniversary festivities next Sunday have been hit by an unexpected dampener, Moscow forbade East Germany's leader of more than 13 years, 72-year-old President Erich Honecker, from making a planned visit to West Germany

last week, the first visit to West Germany of an East German party leader and president. The visit would have been the crowning achievement of Herr Honecker's career.

The East German celebrations are being staged under the slogan "The GDR is my home." This evoked a tart response from one East German Protestant churchman at last week's church synod meeting in Greifswald. He said East Germans would feel just as much at home if they could "occasionally see a bit more than just this home."

The reference was to the continued restrictions on travel to the West for nearly all East Germans below retirement age. This highly resented ban is acknowledged to be one of the main factors leading East Germans to apply to emigrate to West Germany, a procedure fraught with years of struggle with officialdom, including the state security service.

Many of the 35,000 East Germans allowed out to West Germany earlier this year cited economic conditions as another reason for wanting to leave, despite the relatively high

unemployment in West Germany. For, while East Germany has returned to a growth rate of more than 5 per cent this year, the standard of living has stagnated or worsened.

The Government insists there has been no rise in the cost of living but East Germans say inflation is biting their purchasing power.

Desirable consumer goods, they note, are in many cases more difficult to obtain than five years ago—the waiting time for a two cylinder Trabant car is close to 10 years.

Some of his people may be chafing at the bit, Herr Honecker's political future appears relatively secure. His heir apparent, Herr Egon Krenz, was only recently elevated to the East German Politburo and at 47 is too young and unknown a quantity to be fully trusted by the aged Soviet Politburo.

Having once challenged Soviet policy, Herr Honecker from now on will have to toe the line very carefully if he is to survive much longer. In the aftermath of the visit's cancellation, he dutifully attacked ultra-Right wingers in West Germany and demanded that East German citizenship be respected.

Many graduate engineers say they are working as technicians because of a lack of openings for qualified engineers. The same is true for teachers and other academics. Thus, one of the more positive aspects of East Germany—the seemingly insatiable demand for skilled personnel—is melting away under pressure from Eastern Europe's most intensive rationalisation programme.

East German workers who once freely admitted that in return for low wages their work was far less stressful than in West Germany, are in a different situation today. The director of a plant belonging to the giant VEB machinery tool group recently proudly demonstrated to visitors how he was able to keep track of the productivity of every worker at every machine instantly, with the aid of newly-installed electronic devices.

For the present, although

Bonn's Minister for Inner German Relations, Herr Heinrich Windelen, has also indicated that this divisive issue may be closer to a solution than had been thought possible.

The East German leader was in top form last week when he dedicated the palatial new Soviet House of Science and Culture in East Berlin, built by East Germany, and the largest such edifice outside the Soviet Union. The East German President said his country's "inviolable" friendship with the Soviet Union was "a matter of the heart" for every East German.

Undoubtedly, however, Herr Honecker has earned greater respect from East Germans these past months for standing up to its allies than he did for years of unswerving loyalty to Moscow.

NEW!

TWA

'Discover America' ticket for only £99.

£239[†] return to America. £99 up to eight flights in America.

Where would you like to go? TWA—the biggest airline across the Atlantic is big in America too. And offers the same big service as it does on transatlantic flights.

TWA flies to 60 US cities. You can choose up to eight flights to see some of them and it'll cost you only £99 on top of your transatlantic fare. Available for sale until 31st December, for travel between 15th October and 27th March 1985. (Must be purchased at least 21 days prior to travel.)

It's TWA's new "Discover America" ticket. You buy it when you buy your TWA transatlantic fare, which will be cut to as low as £239 return to Boston. From 1st November low fares to other US cities too.

Find out more about it. Look at the

Free car for a week too!
To discover even more of America when two of you are travelling together you can hire a car for a week FREE when you fly TWA transatlantic. Ask your TWA Main Agent for full details.

Low return fares to US cities, non-stop from Heathrow.	
Boston	£239 return [†]
New York	£259 return [†]
Philadelphia	£274 return [†]
Los Angeles	£299 return*

map and choose the TWA cities you'd like to visit—we've given you a suggestion, but you can choose your own.

Your itinerary must be practicable with TWA's flight schedule and remember it might take more than one flight to fly from one city to another. But you don't have to take all eight flights—even a couple is still a bargain.

See your TWA Main Agent. He'll tell you what you can and can't do, and help you plan out an itinerary.

It's a great way to see America. It's only by TWA. Eight flights in America for only £99.

It's got to be the bargain of the year.

You're going to like us **TWA**

Woman joins Switzerland's cabinet for the first time

BY JOHN WICKS IN ZURICH

SWITZERLAND HAS a woman cabinet minister for the first time. Dr Elisabeth Kopp, of the Radical Democratic Party (FDP), was yesterday elected to the Federal Council to succeed Dr Rudolf Friedrich, as Justice Minister. The latter has resigned because of ill health.

A combined election by both Houses of Parliament gave Dr Kopp a narrow majority of 123 out of 241. Mr Ernie Hunsicker, whom the FDP had nominated jointly with Dr Kopp for the cabinet vacancy.

The election had been the subject of considerable interest in Switzerland, particularly since the Social Democrats' cabinet candidate, Dr Liliane Uchtenhagen, failed to obtain the necessary votes last December.

Only the Social Democrats had given their undivided support to Dr Kopp on this occasion, the FDP deciding on an almost unprecedented double nomination and other parties declaring a free vote.

Dr Kopp, who is 45, is a lawyer and an MP who has hitherto held a seat in the National Council, Switzerland's Lower House. She is vice-chairman of the FDP, which is chaired by Mr Hunsicker.

The Government has imposed an annual limit of 2,000 permits for the sale of property to foreigners over the next two years. The Federal Council has long been trying to contain the large-scale purchase of Swiss real estate by non-residents.

Dr Elisabeth Kopp: won narrow majority

FINANCIAL TIMES, USPS No. 190948, published daily except Sundays and holidays. U.S. subscription rates \$42.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York NY 10022.

"Let's talk to Peter Lawrence at Kleinwort's"

Peter Lawrence, Tricorn House, Hagley Road, Five Ways, Birmingham B16 8TP
Tel: 021-454 8173

Kleinwort Benson The International Merchant Bank

EUROPEAN NEWS

EEC spending discipline still not strict enough for some

BY QUENTIN PÉL, IN LUXEMBOURG

WHEN the news leaked out of the European Council chamber late on Monday night that EEC Finance Ministers had finally reached agreement on a text of how to impose long-term controls on farm spending, the angriest man appeared to be M Michel Rocard, France's Minister of Agriculture.

He walked out of an Agriculture Ministers' meeting which was discussing ways of draining the notorious wine "lake" declaring that there was no point in continuing these talks if the Finance Ministers were going to impose their own absolute budget discipline.

"The measures which have been drawn up could strangle the Common Agricultural Policy," he said. "How can we accept a sort of double discipline, which would be both

arbitrary and absolute? If they don't want to continue with the CAP, they should say so openly."

Yet the self-same package of measures was derided yesterday morning by Herr Hans Dietrich Genscher, the West German Foreign Minister, as "a package of indiscipline," implying that it had been watered down too far to meet the objections of the farm lobbyists.

Mr Nigel Lawson, the British Chancellor of the Exchequer, who has been pressing all along for "effective" discipline on the inexorable increase in farm spending, described the outcome as a "very considerable triumph" for Britain which would guarantee an effective discipline over expenditure.

Inevitably, the differing interpretations of the deal—whose

Violent reaction from farmers is likely if the European Commission is not provided with funds to meet the commitments of the common agricultural policy, the farming organisations of the EEC have warned, writes Paul Cheeseright in Brussels.

If the Commission lacked adequate means it would have to take restrictive measures which affect farmers' earnings.

exact status has anyway still to be determined by the foreign Ministers—really concern how it is implemented in practice, and the political will of future EEC governments to enforce it.

On the one hand it falls well short of the legally-binding decision originally demanded by Britain, and includes several large loopholes to allow Ministers to change their minds. On the other, it represents the first formal commitment by the member states to put a ceiling on their overall spending, however imprecise it may be.

The essence of the deal is that it seeks to keep the rate of increase of agricultural spending below the rate of increase in the Community's overall income. A decision in principle to do this was reached last March, to ensure in the long run a gradual switch in resources towards other EEC interests like social affairs, regional policies and increased co-operation in research and high technology industries.

What the Finance Ministers agreed on Monday night, after almost 12 hours of hard bargain-

ing, was a way of calculating the precise figures involved and a means of enforcing compliance. It was the latter to which M Rocard objected so forcibly.

The Finance Ministers agreed that they would set a "reference framework" for the following year's budget each year "at the beginning of the budgetary procedure." That would mean fixing the maximum level of expenditure available, bearing in mind the restriction on the growth of agricultural spending.

Once that ceiling was fixed, any subsequent decision or action which would push spending above the level could be automatically suspended at the request of any member of the Council of the Commission and referred to a special council meeting for consideration. This would be attended by both Finance and Agriculture Ministers.

If that meeting concluded that the measure would indeed exceed the spending ceiling, "it shall reconsider the proposed act with a view to taking appropriate measures."

M Rocard objects that the system gives Finance Ministers a veto over decisions of Farm Ministers, and could be used to prevent the effective operation of agreed policies of the CAP. "Once a right has been granted, you cannot simply put a ceiling on its implementation," he said.

Budget disciplinarians, however, have made a range of important concessions:

• There is no specific date by which the Finance Ministers must impose their spending ceiling, leaving open the possibility that Farm Ministers

could approve their annual round of price increases first.

• The text proposes that if farm spending does exceed the limits in one year, the difference must be "clawed back" over the next two, but only "barring abnormal developments."

• Decisions on the spending ceiling, and on any subsequent change in it, will be made by the voting system of "qualified majority," denying any member like Britain an absolute veto.

If Denmark has its way, the whole package will be implemented simply as a Council resolution, without being legally binding, and not as a formal decision. Thereafter its effectiveness will depend entirely on the continuing battle the farm lobby fights with the rest over the soul, and the cash, of the European Community.

Irish to cut public sector borrowing

By Brendan Keenan in Dublin

THE IRISH GOVERNMENT intends to reduce public sector borrowing from the present 17 per cent of gross national product to just over 11 per cent by 1987, mainly through cuts in capital spending and tight controls on public sector pay.

The Government's new economic plan was unveiled yesterday by Dr Garrett FitzGerald, the Prime Minister, and his deputy and coalition partner, Mr Nick Spring, to an audience representing all the main areas of Irish economic and social life.

The presentation of the 200-page document emphasised the importance the Government attaches to it both for the economy and its own survival.

Dr FitzGerald said the plan would end the uncertainty which had persisted in Ireland since the beginning of the decade. Initial reactions from MPs, who have become worried by the slump in the Government's popularity and the apparent lack of direction in policy, appeared good but criticism may grow when the implications for jobs and public services become clearer.

The capital spending budgets of state industries will bear the sharpest cuts. Their borrowing will more than halve to 1½ per cent of GNP as existing projects are completed and few new ones are begun, although there will be an accelerated road development programme.

The Exchequer's own borrowing will fall by less in real terms, dropping 2 percentage points to just under 10 per cent of GNP. The original target of eliminating the deficit on current spending has been abandoned and the intention is to reduce it to 5 per cent of GNP by 1987.

Strict cash limits on public sector pay increases will be necessary. The total pay and pension bill will grow by less than 14 per cent over the period, compared with a projected increase in the cost of living of over 20 per cent.

The plan contains some popular provisions, the main one being a commitment to bold personal taxation steady in real terms. The most welcome is a reduction in the duty on spirits by £1.75 (£1.43 a bottle) in order to reduce the quantities being purchased in Northern Ireland. A land tax on farmers is intended to double their tax contribution to £60m per year.

As an aid to tourism, the licensing hours for public houses will be extended during the summer months, probably to 1 am in selected areas.

The overall objective is to stabilise the proportion of GNP taken up by borrowing and debt servicing.

A suitable suitor for Corriere della Sera

BY ALAN FRIEDMAN IN MILAN

CONTROL of the Rizzoli publishing group—including the Corriere della Sera, Italy's leading newspaper—is expected to pass within the next day or two to a consortium of leading industrialists including the Fiat group, the Bonomi family, Invest group, and Mediobanca, the Milan merchant bank.

The sale marks a political and financial breakthrough after two difficult years of court-appointed receivership and serious fears that the newspaper's editorial independence could be under threat.

No formal announcement is expected before tomorrow but the acquisition by the Gemina financial holding company should be in place shortly. Last night the board of La Centrale, the financial subsidiary of Nuovo Banco Ambrosiano which controls 40 per cent of Rizzoli, met to discuss the sale of options on 36 per cent of its total Rizzoli stake.

The idea for the Nuovo Ambrosiano group, which inherited the Rizzoli shares from the late Sig Roberto Calvi's Banco Ambrosiano, to maintain a token 4 per cent stake. Meanwhile, negotiations are underway between Gemina and the court-appointed custodians over the future of a further 40 per cent of Rizzoli shares. These are owned by Sig Angelo Rizzoli, former group chairman, who was sacked last year on fraud charges. If Gemina secures his shares, it will have majority control.

Although there are other offers for the Rizzoli group, the Gemina solution is viewed by Rizzoli's top bank creditors,

Italy's annual inflation rate last month dropped below 10 per cent for the first time since 1973, writes James Brunton in Rome. Prices rose in September by 0.7 per cent, making an annual rate of 9.8 per cent, compared with 10.4 per cent rate in August.

several senior government officials in Rome and many of the staff of the Corriere as the most desirable. The amount to be paid for the Rizzoli shares is likely to be modest.

Aside from financial and technical considerations, delivery of the Corriere into politically neutral hands will be a great relief to many leading Italians. Italy's political parties have been jockeying to control it.

The autonomy of the newspaper, which has a circulation of around 600,000, is viewed by many as a guarantee of democracy. Most newspapers in Italy espouse political attitudes—the Corriere in the dark days of Sig Calvi and his P2 freemason associates was at times an instrument for some of Italy's most unscrupulous political and financial interests.

One senior banker involved in the sale yesterday summed up the three criteria for ownership which he said the Gemina consortium meets: it has a proven entrepreneurial and management track record, the financial strength to reschedule and guarantee Rizzoli's £125m (£218m) debts and to inject fresh capital; and it appears willing to guarantee Dr Piero Ostellini, the editor, complete editorial freedom.

Withholding tax move by Bonn

By Rupert Cornwell in Bonn

THE West German cabinet is expected today to decide on the abolition of withholding tax on interest payments to West German fixed interest securities—possibly with retroactive effect from October 1.

Plans to remove the tax of 25 per cent—imposed in 1965 to deter speculative inflows of foreign exchange—were agreed in principle by the government last August. The move has been long advocated by the Bundesbank, on the grounds that the strong dollar means that Bonn, if anything, needs to prevent capital outflows.

That argument gained extra force when the U.S. recently abolished its own similar 30 per cent withholding tax. The delay since the summer has been to allow time for consultations with the state governments who help administer the tax and who have been unhappy at any retroactive provision.

Assuming the decision to remove the tax goes ahead, ratification by the Bundesstag and the upper house (or Bundesrat), where the states are represented, could take three months.

Limited opening to foreign banks recommended by Swedish report

BY DAVID BROWN IN STOCKHOLM

FOREIGN BANKS should be allowed to establish operations in Sweden from next year, but the size and extent of their activities should be sharply limited. This recommendation by a board appointed by the Government is expected to clear the way for legislation within several months.

Banks could submit applications from July. The Government will decide how many it will permit to set up towards the end of next year, but numbers will probably be restricted.

Sweden is the only West European country in which foreign banks are not allowed to operate, although some have established representative offices.

The report suggests an initial limit of SKr 75m (£7m) on their maximum share capitalisation in order to prevent "sudden changes in the conditions of competition." They would be required to raise money exclusively in Sweden, and offer a full range of "traditional banking services," including retail operations.

The board, which is looking

Budget gap widens in France

By David Housego in Paris

THE FRENCH Government yesterday gave detailed confirmation of the overshooting in this year's budget deficit when it laid before the National Assembly its proposals for 1985.

The Assembly reconvened yesterday after the summer holidays. Its main business for the rest of the year will be the 1985 budget which the Communist Party has announced it will oppose. If they do vote against the budget it will be the first time they have joined the opposition on a major issue since the Left came to power.

The main event of the first day of the new session was the arrival of former President Valéry Giscard d'Estaing. He was elected on September 22 to represent the Puy de Dome and took his place just in front of M Raymond Barre, the former Prime Minister.

The 1985 budget proposals show that the government is expecting revenue to fall short of its original budget estimates by FRF 10.9bn (\$44m) this year. The shortfall covers personal and corporate tax, as well as indirect taxes. Almost half of it is due to lower VAT receipts than expected.

Because of the shortfall in revenue and the uncertainty of debt servicing charges, M Pierre Bérégovoy, the Finance Minister, had already announced that the budget deficit this year would reach 3.3 per cent of GNP instead of the 2 per cent ceiling set by President François Mitterrand.

Danish current account warning

BY HILARY BARNES IN COPENHAGEN

DANES were warned yesterday that if the country's current account deficit did not improve in the next few months, the Government will have to curb consumer demand.

"It remains the Government's aim to bring the current account into equilibrium by 1985," said Mr Poul Schlüter, the Prime Minister, at the opening of the parliamentary year.

The session is expected to be dominated by defence and foreign policy. The opposition Social Democrat Party is in a position to defeat the minority coalition Government over the acceptance of nuclear weapons on Danish soil.

Whether it will push such an anti-nuclear resolution, which would be incompatible with Nato's strategy of flexible

response, is not known. It could prompt instead a more vaguely worded resolution which the Government might be able to accept.

Mr Schlüter devoted his speech almost entirely to economic policy for which his government of Conservatives, Liberals, Centre Democrats and Christians is fairly sure of obtaining majority support.

He claimed that good results had been achieved in controlling the budget deficit and stimulating exports and in business investment, and promised that they would not be thrown away recklessly.

Among other things, the freeze on public expenditure would continue.

His optimism was supported by a survey from the Economy Ministry forecasting a 4 per cent real increase in gross domestic product this year and one of 3 per cent in 1985.

Manufacturing investment is expected to increase in real terms by no less than 25 per cent this year and by more than 10 per cent next. Exports of goods and services should rise by 3.5 and 6.5 per cent respectively. Unemployment, which peaked at an average of 283,000 or 10.5 per cent in 1983, is forecast to fall to 278,000 this year and 270,000 in 1985.

The current account deficit, however, will top DKr 18bn (£1.7bn), or 23 per cent of GDP this year from DKr 10.8bn last year, and will still be about DKr 14bn in 1985. "There is no sign of a lasting and durable improvement," said the survey, which described the deficit as a "critical point."

Strike in Iceland

State employees in Iceland stopped work yesterday in protest at a cut in their October pay in advance of an indefinite strike over government economic policy which is to start later this month, Reuter reports from Reykjavik.

AT HOME

Where BASF technology puts style into life.

If you're reading this at home, chances are you'll be in contact with at least a dozen things that owe their existence to BASF technology.

Your favourite reading matter may have been produced with our photopolymer printing plates, our chemical agents in the inks and our coatings on the paper. A number of our products are even used in the production of this newspaper.

The clothes you're wearing, the comfortable furniture, and the carpet, all contain materials developed from BASF research. Chemical auxiliaries, resins, polymer dispersions and solutions make textiles more durable, more comfortable. And our pigments and dyestuffs add colour.

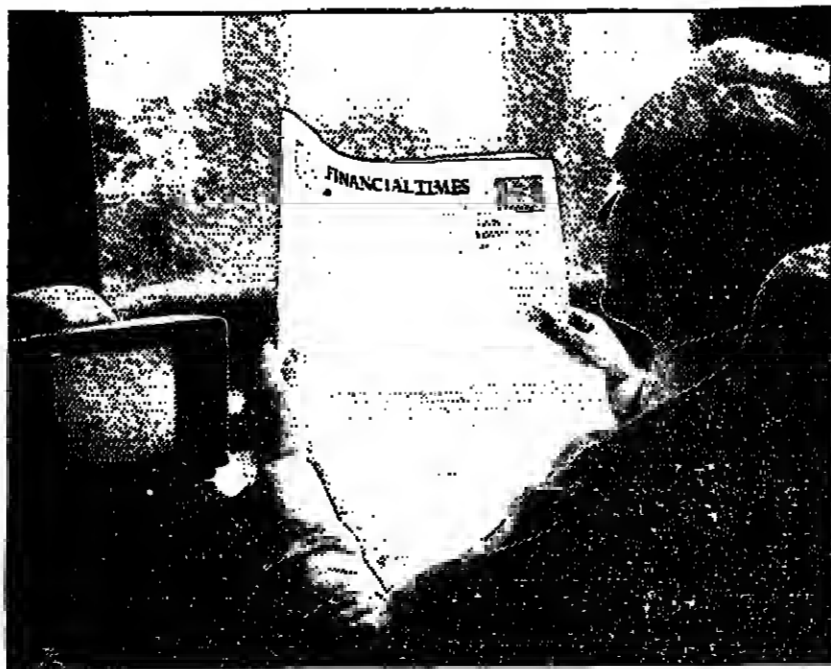
As you move around your home, you'll meet dozens more. Our Information Systems provide you with audio and video cassette tapes. Your tele-vision, radio and home computer, even the carpet sweeper bristles with our plastics materials, both inside and out.

In the kitchen BASF technology is at work in the fridge

and the food mixer, the washing machine, the washing-up bowl and the easy-clean surface of the worktops. Even the food itself began life in fields protected by our agrochemicals.

Our flavours and fragrances provide the tastes and smells in perfumery, soap and detergent, cosmetics, toiletry and pharmaceutical products.

And BASF helped build the house, with electrical, paint and insulation materials.



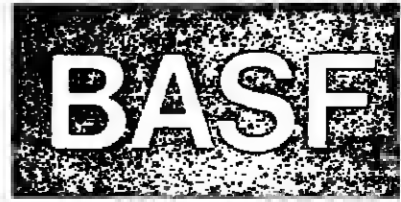
All of these are answers. Answers to the needs of people. Answers that have resulted from our commitment to research and development.

Throughout the world, one in ten of our 100,000 employees is engaged in research and development. We invest £1 million every day of the year in this area alone.

As a leading chemical enterprise, we are committed to the future—the future of Man, his environment and our company's continuing contribution.

BASF United Kingdom Limited, Earl Road, Cheadle, SK8 6QG, 4 Fitzroy Square, W1P 6ER.

BASF are the people concerned

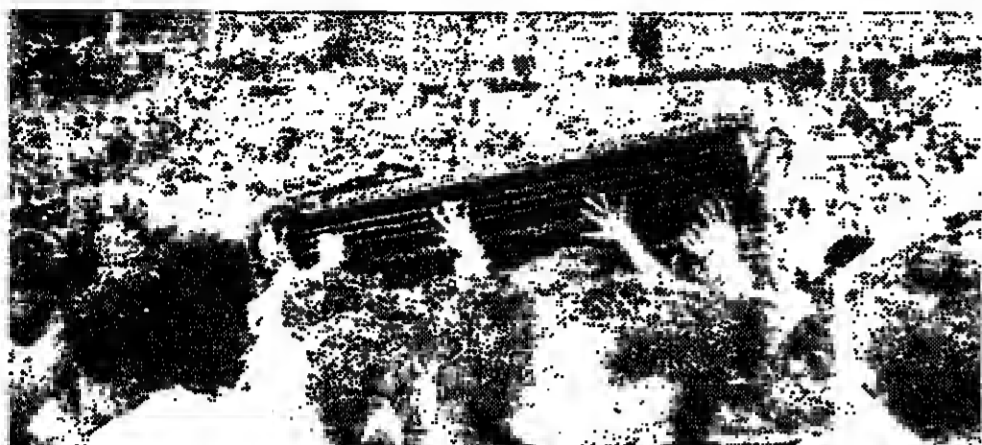


EUROPEAN NEWS

LAST FIGHT OF A MATADOR

Not so much a death as a national tragedy

BY DAVID WHITE IN MADRID



Crowds at the Seville bullring pay homage to Paquirri, the matador killed last week

POZOBLANCO, a small town near Cordoba in southern Spain, will never live it down. When a racing driver is killed on the circuit it is a shocking accident, but when a bullfighter dies in the ring, to the people of Spain it is a national tragedy.

proved that bullfighting can still be mortally dangerous. In the 1930s, Ernest Hemingway noted that almost every newly-arrived correspondent in Spain would write a story along the lines of: "Bullfighting was as soccer sweeps Spain." But the impact of Paquirri's death at the age of 36 shows that the sport (and many would argue about whether it is a sport) continues to exercise its hold on the popular Spanish imagination.

"heart-throb Press" even more than of the ring. His first marriage was to the glamorous daughter of Antonio Ordóñez, himself a bullfighter of the legendary class. His second, to singer Isabel Pantoja, was last year's wedding of the year.

Afterwards, the bullfight critics taunted him, saying married life had softened him, that he was standing too far from the bulls, and his new wife was quoted voicing her fear every time he walked into the ring.

But last week in Jerez de la Frontera, during the sherry vintage festival, the cocky Paquirri carried the day, rigged out in dark blue and gold, taking in the applause, slowly circling, chest puffed out, arm outstretched, cap in hand and a big grin on his face.

He was carried to the first-aid post in Pozoblanco still smiling, and his last recorded words to the doctor were: "It is a bad wound. It goes in at least two directions, one this way and another that way. Open up whatever you have to open up. Don't you worry."

If that falls to bring a tingle to the spine, savour this: Paquirri's comest to a reporter before he went into the ring, expressing the superstition common to all bullfighters: "I don't like to say it's the last fight. I always like to say it's the last but one."

Thousands attended his funeral in Seville and the image of the bullfighter tossed around on the bull's horns like a piece of paper is now fixed in people's memories.

Paquirri died on his way to hospital after being gored by the last bull of his final fight of the season. The bull, "Watchful One," was later ritually slain by another matador. Both will join the legendary Manolete, killed in almost exactly the same circumstances in 1947, in bullfighting lore.

Paquirri's home town of Barbete on the southern coast decreed two days of mourning, and dozens of local Andalusian and national personalities went to pay their respects. His critics among the bullfight commentators, ruthless men all, have instantly forgiven him.

After a great deal of scandal among fans about the practice of "shaving" bulls' horns, which makes them blunter and saps the animals' ferocity, last week's death in the ring has

AMERICAN NEWS

Labour secretary charged with fraud over NY contract

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

MR RAYMOND DONOVAN, President Reagan's controversial Secretary of Labour, yesterday faced formal charges of fraud and grand larceny in connection with work on a New York subway contract shortly before he took office in 1981.

His New Jersey company, Schiavone Construction, was a major contractor on the \$188m (£152m) East Manhattan tunnel project in 1979 and 1980. Mr Donovan immediately took unpaid leave of absence from the Cabinet to contest the criminal indictment, which he said was "not worth the paper it's written on."

Mr Donovan said that the charges, coming only five weeks before November's U.S. elections, were a "political partisan" move. The indictment was brought by an elected Bronx District attorney, Mr Mario Merola, a Democrat.

Mr Donovan said he was fully expected to resume his duties "as soon as this injustice has been dealt with." His lawyers, however, said that it will probably be "difficult to rebut the charges before the election." While the new allegations against Mr Donovan are clearly a potential embarrassment for Mr Reagan, the White House

was yesterday hoping that his swiftly-taken leave of absence would shield the President from any further fall-out from the case.

Mr Donovan has spent much of his 44 months in office fighting allegations that he had links with organised crime bosses while an executive vice-president of Schiavone. After a lengthy investigation, a special prosecutor in 1982 found "insufficient credible evidence" for his prosecution.

The indictment cited Mr Donovan and seven other company executives on 137 counts, involving one charge of grand larceny, 11 counts of offering false documents for filing and 125 counts of maintaining false business records.

The charges concern payments of about \$8m by Schiavone to a minority-owned subcontractor in 1982, which were alleged to have been based on phony billings and false statements in order to over-state the amount of work done by Jopl.

Prosecutors in New York denied that the latest charges were politically motivated, saying that they had to act now before the statute of limitations prevented further action on the case.

U.S. Mafia bosses appear in court

By James Burton in Rome

THE FIRST of a clutch of bosses of the U.S. Mafia now in custody appeared in U.S. court yesterday after police responded to a request for their arrest by the Italian Government. Italy made the request on evidence against the men supplied by Sig Tommaso Buscetta, a Mafia leader who broke the organisation's traditional oath of silence.

Italy has requested the arrest of 28 leaders of Cosa Nostra, the U.S. branch of the Mafia. Of these, some 16 have surrendered, 5 further four have been arrested and eight are being hunted.

Italy has asked for the extradition of the men in order for them to stand trial in Italy. The terms of a new extradition treaty, which came into effect only last week and is designed to make such operations easier.

In Italy investigating magistrates yesterday started interrogating the first of about 200 Mafia suspects incriminated by Sig Buscetta.

More than 60 suspects were arrested in raids all over Italy at the weekend. A further 156 named by Sig Buscetta were already in prison on other charges. But about 150 more suspects, including some senior "godfather" figures in the organisation, have so far escaped capture.

Sig Bettino Craxi, the Prime Minister, described the anti-Mafia operation as "the decisive breakthrough" against the organisation.

But Sig Oscar Luigi Scalfaro, the Interior Minister, who is in Washington for talks with U.S. officials on curbing the Mafia, warned that the Mafia should not be regarded as "defeated."

He has urged magistrates to identify and in some cases arrest those responsible for a string of murders in recent years of magistrates, politicians and other officials who showed determination in some cases success in investigating the organisation.

Brazil rescheduling hopes fade as arduous talks loom

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE OUTGOING Brazilian Government of Gen Joao Figueiredo is unlikely to be able to achieve its stated goal of a Mexican-style, multi-year, debt rescheduling package from its bank creditors in the negotiations due to start at the end of this month.

An increasing number of senior Brazilian bankers and other influential figures are coming round to this conclusion in the run-up to what is expected to be an exceptionally arduous and protracted round of talks.

The exception is that the Citibank-led Bank Advisory Committee on Brazilian debt will press instead for an interim "holding" arrangement to tide Brazil over until the new civilian government - due to take over next March - is firmly installed.

Sr Mario Henrique Simonsen, the former Planning Minister, said this week that most international banks favoured giving Brazil more gen-

erous terms on its \$88bn foreign debt only after they had seen the colour of the new government.

Other well-placed observers also believe that in the interest of bolstering stability in Brazil during the delicate transition back to civilian rule, Brazil's bank creditors will want to help the new government with an agreement which would ease the pressures on it.

Sr Olavo Setubal, president of the Itau Group, Brazil's second ranking financial conglomerate, said on Monday he was convinced that the next government would have to argue for better terms within the existing ground rules governing debt renegotiations.

Sr Simonsen, now head of the semi-official Getulio Vargas Foundation - Brazil's leading economics institute - and a board member of Citibank in Brazil, believes the Figueiredo Government will probably obtain only a one-year roll-over of debt principal falling due.

U.S. 'poised to invade Nicaragua'

By Our UN Correspondent

SR DANIEL ORTEGA, leader of the Nicaraguan junta, charged in the United Nations yesterday that the U.S. was planning a Grenada-style operation against his country, to begin on October 15, in a bid to prevent the holding of elections planned for November 4.

"The mercenary forces of the CIA and the Pentagon are already concentrated in the areas bordering Nicaragua in Honduras and Costa Rica," he said. Also ready are the U.S. forces that would be used for bombings, troop landings and direct incursions into Nicaragua.

Whether a majority of the members of the General Assembly, which he addressed, believe that the Americans are indeed planning such an exercise, there was little doubt where their sympathies lie. There was thunderous applause when he reached and left the rostrum.

Canada growth forecasts revised down

By Bernard Simon in Toronto

THE RISE in interest rates in Canada earlier this year has prompted Canadian economists to revise downwards their 1985 growth forecasts.

The average forecast of 17 leading economists polled by the Ottawa-based Conference Board of Canada is a real 2.3 per cent increase in gross national products next year, compared with 4.2 per cent in 1984.

Earlier this year, the economists predicted a 1985 growth rate of 2.8 per cent.

The Canadian economy is generally regarded as being more sensitive to interest rate changes than the U.S. Despite its close trading links with the U.S. economy, Canada has so far failed to match the growth performance south of the border.

Canadian banks' prime lending rate, which rose from 11 per cent to 13.5 per cent between February and July, stands at 13 per cent.

Locate in Warwickshire-the centre of the stage

The scene

- An area with potential through its natural advantages and its plans for the future
- Reach out to Britain from a motorway network second to none. M1, M6, M69, M42, and M45 serve the County and give outstanding ease of access to capital and country. Soon the M40 extended through Warwickshire will give an alternative even better new road to London.
- London about an hour by Inter City Rail from Rugby, Coventry and Nuneaton.
- Birmingham, "Warwickshire's International Airport" Regular flights to 15 capitals bring the County closer to Europe.
- Britain's most successful new Science Park at the University of Warwick serves the County's new technologies.
- The National Exhibition Centre & The National Agricultural Centre. The showcases of Britain's industry and agriculture are both within minutes of all of Warwickshire.
- Shakespeare's Historic Homeland, the heartland of England, with its choice of character towns awaits your Company.

Get in on the act

Warwickshire is internationally known for Stratford-upon-Avon. The Royal Show at the National Agricultural Centre, the National Golf Centre at the Belfry, the home of G.E.C., A.P., Warwick Castle, and the skills of its workers in industry. Amongst the firms which operate in the County there are such nationally known names as Talbot/Peugeot, Associated Engineering, Rugby Portland Cement, I.B.M., Dictaphone, Christian Salvesen, British Homes Stores and Lex Wilkinson.

Sites for new industries

A wide range of premises or freehold serviced sites for industry, commerce and technology is available now in Warwickshire's main towns.

The stage is set

An excellent living and working environment convenient to the industrial heartland of England with the virtues of the Midland Shires and lively, thriving Country Towns and pleasant uncrowded countryside. Wrapped around Coventry and Birmingham, Warwickshire can take advantage of the services and markets offered by the nearby cities.



The company

Warwickshire is made up of five districts which comprise

Nuneaton and Bedworth
Strong in manufacturing, white collar and managerial skills; providing a workforce to a diversity of companies in engineering components, clothing, box and metal founding industries. The new industrial estates are well situated to take advantage of the M6, M1, M69 and A5, roads which have led to the borough's appearance in the top ten districts in the Country, for growth of warehousing and distribution for the last ten years.

Rugby
Home of GEC, Associated Engineering and Smiths Industries, Rugby has a high reputation for skills. Its superb communications - the M1/M6 Interchange, London one hour by train, Birmingham Airport half hour's drive - have led many foreign based firms such as JK Lasers and Grundig to expand in the town.
There are new sites for industry, excellent shopping and educational facilities and a good choice of housing in the town and surrounding villages.



Warwick and Leamington

Attractive towns, tourists' attractions, excellent shopping, fine places to live and work in. Linked by dual carriageway to the motorway network. They will also be the first Midland towns to be served by the M40. Well established manufacturing industries such as A.P., Fords, Pottertons, Thwaites and Flavels are complemented by newer industries such as IBM & Geotechnical Instruments. The new Heathcote Industrial Estate is less than 4 kilometres from the centre of both towns. This is a most suitable area for the location of head or regional offices.

Stratford-upon-Avon
Covering half the County is this area with its small towns in an immensely attractive rural setting. An address in Stratford-upon-Avon is immediately recognised throughout the world.

There are industrial and commercial estates in Stratford itself. Ideal for medium sized developments, as well as in the other towns of Alcester, Bidford-on-Avon, Bishops Cleeve, Shipton-on-Stour, Southam and Wellesbourne.

North Warwickshire

Attractive rural area on edge of Birmingham & Coventry with a wealth of recreational facilities including The Belfry. Access to excellent communications road, rail & air (Birmingham International and East Midlands). Crossed by M6 and M42 (under construction) motorways and A5. Thriving industrial estates at Atherton, Colleshill, Arley and Curdworth. Ideally situated for warehousing and distribution, specially selected by firms such as British Home Stores and TNT, Inter-County Express.

Warwickshire Take the lead

Complete the form and send for our Information pack to:-
The Industrial Promotion Unit,
County Planning Department,
Shire Hall,
Warwick, CV34 4EX
or telephone us at Warwick (0926) 493431

Name:
Company:
Address:
Position:

Canada's EDC signs \$2bn export finance agreement with China

BY BERNARD SIMON IN TORONTO

CANADA'S Export Development Corporation (EDC) and the Bank of China have signed a general financing agreement which includes a \$2bn (£1.2bn) line of credit for Canadian capital goods and services exports to China and official Chinese guarantees for supplier credits arranged by the EDC.

The agreement marks a further step by Canadian financial institutions in their efforts to forge closer links with China. The signing ceremony in Ottawa was attended by Jin Dejun, Bank of China president, who is visiting Canada at the invitation of Royal Bank of Canada, the country's largest banking group. Royal Bank also recently sponsored a visit to Canada by the Chinese coal minister.

The line of credit replaces a similar arrangement which expired earlier this year. The previous line was used only twice for the sale of grinding mill equipment and components for 31 earth satellite stations—but the EDC is confident that demand will be greater for the new financing facility.

China became Canada's fifth largest export market in 1983. Sales reached \$1.6bn, almost double 1980 levels. Wheat accounts for 60 per cent of the total, but the EDC said there is considerable potential for Canadian suppliers in the fields of transportation, food processing, chemicals, coal mining, telecommunications and hydro-electric power. During his visit to Canada, Jin has visited the De Havilland aircraft factory, Northern Telecom and an Ontario nuclear power station. Growing trade links and investment opportunities have encouraged Canadian financial institutions to explore ways of expanding their presence in China. Royal Bank last month

announced the formation of a joint merchant bank venture with the China International Trust and Investment Corporation, an enterprise which reports directly to the country's state council.

The Toronto-based firm of investment dealers, Wood Gundy, plans to open an office soon in Shanghai to promote two-way investment opportunities. Another Toronto securities firm, McCarthy Securities, has led a group of Canadian portfolio managers to China to examine Canadian involvement in off-shore oil drilling.

While recognising that the Chinese increasingly base foreign trade decisions on price and quality, Canadian bankers hope that political factors will work in their favour. Mr Michael Fel, Royal Bank's regional representative for China, says: "We are regarded by the Chinese as old friends. We do have an edge over the others." Canada has sold wheat to China since the mid-1960s, and recognised the Chinese Government in 1970.

The Canadian institutions are also attracted by the prospect of substantial opportunities for foreign banks. Mr Kevin Rowe, executive vice-president of the Bank of Nova Scotia (one of four Canadian banks with representative offices in Peking), forecasts that foreign banks will open full branches within the next decade.

Besides trade financing, the Canadian banks are increasingly involved in project financing and syndicated loans. Bank of Nova Scotia is financing construction of an hotel and office complex in Canton, while Royal Bank has arranged a syndicated loan for a beer factory and funded the purchase of vessels by Chinese shipping companies. The banks see opportunities in the five special economic zones and 14 coastal ports opened to foreign businesses.

GE opens branch in Hong Kong

By David Dodwell in Hong Kong

GENERAL ELECTRIC of the U.S. has established a Hong Kong-based affiliate to serve as focal point for the group's business in mainland China. Mr John Urquhart, an executive vice president of General Electric, said in Hong Kong yesterday that the formation of the company, to be called General Electric (USA) China Co Ltd, was a "milestone in the renewed business relationships between the People's Republic of China."

The announcement comes just days after the initialing of the Sino-British declaration of the future of Hong Kong after 1997 and illustrates well the differences between foreign and local businesses based in Hong Kong. Local entrepreneurs, eager to insulate themselves against any future upheavals in China, have yet to show strong interest in investing in the territory whereas many foreign companies, keen to use Hong Kong as a springboard for business in China, have been significant recent investors.

General Electric has recently sold 220 diesel-electric locomotive trains to China and has orders for commercial aircraft and helicopter engines, medical diagnostic equipment

How SGS casts a net for smugglers

SMUGGLING is a lot more sophisticated these days, thanks partly to the arrival of the cargo container. The picture of a small ship gliding under cover of darkness to a remote jetty to discharge its contraband may be romantic, but it is out of date.

Today, smuggling is not just a matter of sneaking goods in. The really big racket involves getting foreign exchange out. The smuggler himself is not a bearded sea-dog with a pipe. He lives in a luxurious apartment in cities like London or Paris, wears the best suits and drives an expensive car.

Despite periodic crackdowns on corruption, the racket has become endemic to places like West Africa. But it has brought good business for a little-known breed of companies—which specialise in checking, on behalf of governments and central banks, that the goods being shipped are as stated by the shipping documents.

The biggest company in the business is Societe Generale de Surveillance (SGS) of Switzerland, a risk control concern operating in 140 countries and enjoying the highest reputation for impartiality. The news that SGS had lost its contract with the Nigerian Government sent shock waves through the trading community and considerable mystery surrounds the decision.

SGS performs a range of quality control and laboratory testing services. It grades coal, minerals and oil, tests pipe welds, analyses chemicals and

Nigeria has cancelled its contract with the world's biggest import inspector, Christian Tyler, Trade Editor, explains the background

puts industrial prototypes through their paces.

But its main job for governments, particularly in the developing world, is to inspect imports. In the case of Nigeria, for example, it was charged not only with verifying quantities and qualities, but also with determining whether the price is reasonable and the trade is legitimate.

Take the case of a company in Britain which has a contract to supply a Nigerian customer with medicines. The UK company gets price quotations from manufacturers and puts together an invoice. The chosen manufacturer or supplier goes to his bank to open a letter of credit. He then fills in a six-part request for information from SGS (until this week, that is). When the goods are ready, SGS sends one of its 140 UK technical inspectors to the factory to examine

the goods and perhaps take samples. If the goods are as specified, SGS issues a satisfactory physical inspection report. The goods are probably then sent to a trading company's warehouse for packing and shipment by container. Sometimes, but rarely, SGS will carry out another inspection on the quayside.

The final invoice, a copy of the bill of lading, the freight account and the physical inspection report are finally submitted to SGS, which then issues a clean report of findings. This is the essential document for getting the goods accepted at their destination and for release of the foreign exchange.

For legitimate traders, this process is no great hardship. What does upset them, however, is the price inspection that SGS has been conducting on behalf of the Nigerian authorities. According to one exporter, SGS overzealously interpreted its brief and routinely demanded price cuts of around 2½ to 5 per cent. SGS will not talk about its business, but it is likely that the company rings competitors to try and establish a going rate.

A manufacturer with healthy margins will usually succumb to pressure in order to complete the order. A trading house, with much finer margins, tends to protest. The issue has been taken repeatedly to the Department of Trade where, according to one report, officials have said that protests by Nigeria by Britain alone would

be misconstrued. One small irony is that Switzerland does not allow SGS—a Swiss company—to inspect goods for price. That job is done by the Nigerian-Swiss chamber of commerce.

The ostensible purpose of this inspection, of course, is to prevent suppliers exploiting Nigerian ignorance of world prices.

A particular bone of contention is that suppliers will often quote a higher price to Nigeria than, perhaps, to Ghana, because of persistent payment delays in Nigeria. SGS, needless to say, is not impressed with that argument.

However hard SGS tries, smuggling will continue so long as officials in importing countries are corrupt. Sometimes an order will be specifically exempted from an SGS inspection—and it is anybody's guess what that implies. SGS had a turnover last year of \$1.1bn (£437m), and more than a quarter of its earnings are now in North America, where it made a number of acquisitions recently.

Between 1978 and 1982 it doubled its consolidated turnover and showed a net profit increase of 110 per cent. The Union Bank of Switzerland has a 14.3 per cent stake and an undisclosed minority stake is held by Pictet, a private bank in Geneva. Its dividend certificates (not-voting shares) are listed on the Geneva stock exchange and sold over the counter in Zurich.

EEC threat to U.S. on trade Bill

By Ivo Dawmay in Luxembourg

EEC Foreign Ministers yesterday broke off their grumbling negotiations on the Community budget to issue a strongly worded resolution warning of dire consequences for EEC-U.S. trade if Congress accepts new provisions against European wine sales.

The resolution, unanimously approved, also expresses deep concern over proposed amendments in the Trade Bill passing through Congress, which adapt the legal definitions of dumping and subsidies.

Endorsing an earlier complaint to the U.S. Administration by the European Commission, the ministers warned that such legislation would have serious effects on trade, adversely affecting the Community's export interests. It would also be inconsistent with the terms of the General Agreement on Tariffs and Trades and would encourage protectionism.

"Any such legislation, if adopted, would be open to challenge before Gatt and retaliation," the resolution concludes. The strength of the foreign ministers' warning and the urgency with which it was agreed are clear indications of the seriousness with which the EEC views the new U.S. trade bill.

Shell warning on Middle East petrochemical exports

BY CARLA RAPAPORT

TOP EXECUTIVES at Shell Chemicals, one of the world's largest chemical companies, this week warned that European petrochemical markets will become a "bloodbath" next year with the arrival of petrochemical exports from the Middle East.

Mr Rien Waale, retiring head of the chemicals division of Royal Dutch/Shell, said: "Considering the overcapacity in the European chemical industry, the arrival of the exports from the Middle East will be a shock. I don't see any organised way to absorb it. It will cause a bloodbath in polyethylene and ethylene glycol in the first place, accounting for around 10 per cent of the European markets for those products."

Mr Waale was referring to the \$10bn petrochemical development in Saudi Arabia, based on cheap domestic natural gas, nearing completion in Jubail and Yanbu. Shell Chemicals had sales last year of \$5bn, and net earnings of \$127m. The group's Shell Oil U.S. division is a joint venture partner in one of the Saudi developments.

Mr Jim Gordon, who will be taking over from Mr Waale next month, agreed with him. He said: "It's frustrating. You can put your own house in order (in terms of rationalisation) but the market can still be lousy." Shell said growth in demand for petrochemicals, which

recovered markedly in 1983 and 1984, will slow somewhat in 1985. If the dollar weakens against European currencies, this will also hurt the industry, which is enjoying strong exports to the U.S.

"Too much product on the market will lead us right back to the disaster of 1980 and 1981 when people cut prices to hold market share," Mr Waale said. "The industry was well on the way towards rationalisation when the recent upturn in demand slowed the process. The returns in the good times weren't that good anyway. There will be a shake-out in the industry—whether it will be 1985 or 1986—it will come," said Mr Waale. He said the survivors will be the chemical divisions integrated into an oil company. "We have the flexibility and access to feedstocks," he said.

"Ethylene will go down in price. That will happen next year unless a miracle happens." The Shell executives' comments are the latest in a growing chorus of warnings from chemical industry executives who believe that further rationalisation in the European chemical industry is necessary in order to prevent price wars in key petrochemicals next year. The first exports from Saudi Arabia are expected to land in Europe within the next few months.

Northrop 'to countertrade' for sales of F-20 fighters

BY OUR TRADE STAFF

NORTHROP CORPORATION, the U.S. aerospace company, has said it would be prepared to sell its F-20 Tigerhawk fighter aircraft to Malaysia on a partial countertrade (barter) basis.

A company official, who was part of Northrop sales drive to the Far East, said the company would accept payment partly in the form of primary commodities or manufactured goods.

While no further details were given, the statement indicates the intense competitiveness that surrounds the international market in defence and commercial aviation equipment.

The F-20 Tigerhawk, which cost about \$11.4m (\$9.5m) each, has been on the market for more than a year, but no orders have yet been received. It was principally designed for export markets.

U.S. Government authorities have decried the increase in the use of barter and offset arrangements to conclude major U.S. export contracts.

Northrop, however, says it has done barter trades in selling lifts in Egypt, water filtration plants in the U.S., asphalt in Nigeria, and construction services in Saudi Arabia.

The Northrop offer follows an announcement last week that France was negotiating with the Government of Abu Dhabi to trade Mirage 2000 jet fighters

for crude oil. The proposal, announced by Avions Dassault Breguet, said the French Government had approved the deal in principle. No details of the terms of the countertrade arrangement were released, but it is understood to involve 18 Mirage fighters valued at \$500m.

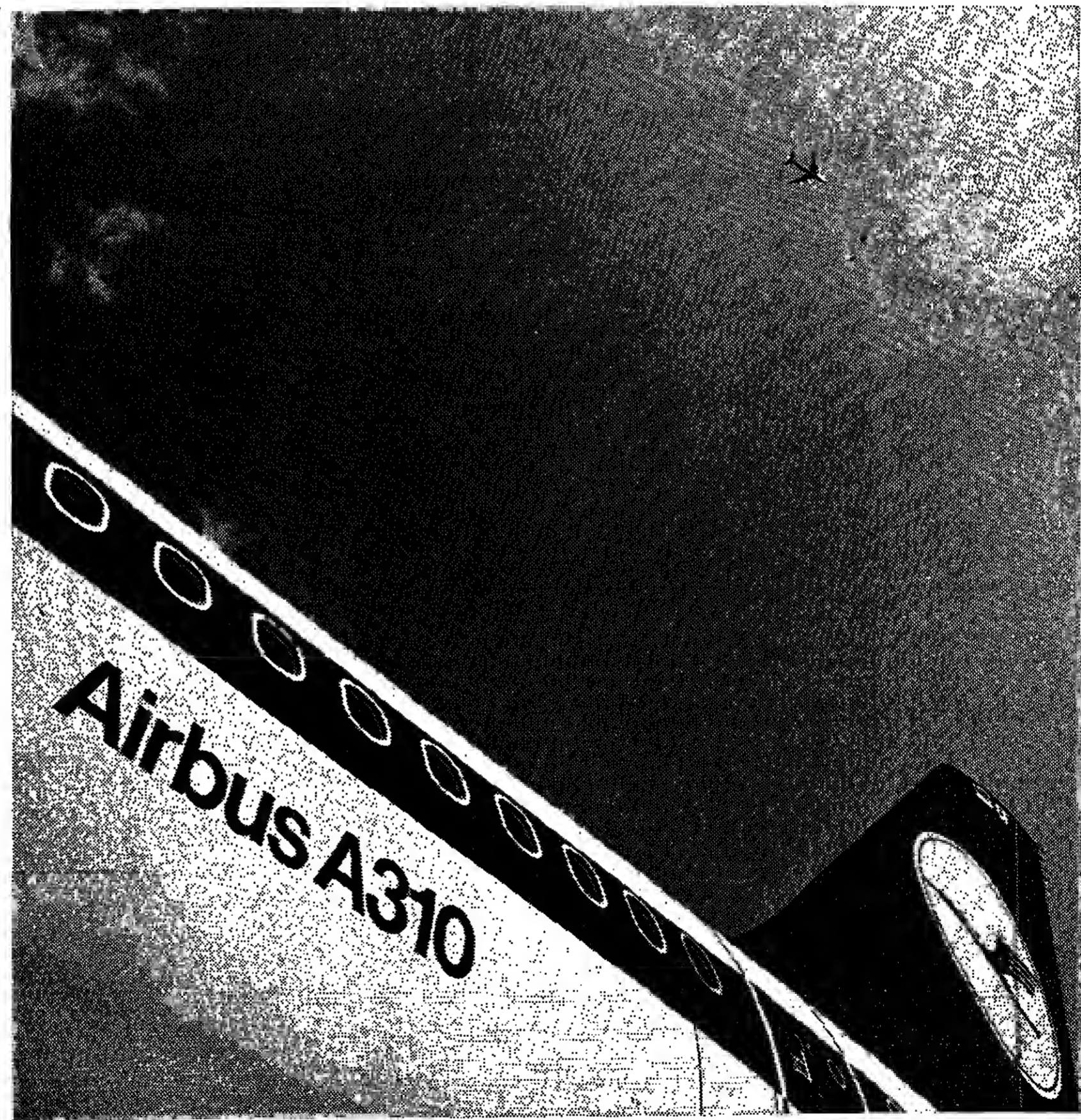
Four Arab Gulf countries were reportedly yesterday to be seeking to buy sophisticated U.S.-made General Dynamics F-16 jet fighters, AP reports from Kuwait. The newspaper Al-Qabas said the U.S. promised to consider the requests next year.

The newspaper said the request for the F-16s was made by Kuwait, Saudi Arabia, Bahrain and the United Arab Emirates.

Washington officials, quoted in the story, expressed the view that the Kuwaiti request would face "major difficulties" because of anticipated sharp rejection from the Israeli lobby within Congress, but did not expect the same objection to the requests of Bahrain and the UAE.

Saudi Arabia, Kuwait, Bahrain and the UAE, together with Qatar and Oman, are members of the Gulf Co-operation Council, a regional collective economic and defence alliance. Officials at the Kuwait Defence Ministry declined comment on the Al-Qabas report.

It's not impolite to ask the age of a Lufthansa plane.



 **Lufthansa**
German Airlines

OVERSEAS NEWS

New Zealand's Premier maps out the future

On New Zealand's trading role:

"The country has a chance to win a reputation in the world for the excellence and wholesomeness of its products, to stop being a purveyor of commodities that go into bulk bins, to move to the super-market shelves from the freezer, away from the bale of wool and towards the carpet and the carigan, to stop exporting jobs and actually create them for ourselves at home."

"So the change is to shift New Zealand from producing in response to subsidies, which are politically sensitive abroad, and very much more toward the market place. If you subsidise production you get production inflated to subsidy."

On the new Government's economic approach: "The Labour Party's economic ideology stands very simply for efficiency. We are not ashamed at all of having state enterprises having to make a profit. I regard it as a failure of philosophy when state enterprises engage in trading which could be the preserve of the private sector and lose money. It seems to me ludicrous to expect the state to lose money as a matter of principle."

"We are going to make sure that the beneficiaries of state largesse are not going to be the captains of industry or the huge corporations as they were under the previous Government and that I can actually recognise a

The economic policies of the new Labour Government of New Zealand appear remarkably liberal, just as those of its conservative predecessor were curiously interventionist. The Prime Minister, Mr David Lange, explained his approach to Nicholas Colchester.

need for social welfare when I see one."

On control of the private sector: "We wish to see, in a break from previous Labour stereotyping, the emergence of effective competition as an instrument against excessive pricing. This means that we have to have far more disclosure of commercial information, far more moves into the anti-trust field. We intend to promote competition legislation which will go a long way further than any legislation which now exists to ensure that the maximum of information exists for the investing and consuming public and that there is a genuine measure of non-cartel operation."

"You can make sure that people do not get tax breaks for people pointless corporate indulgences like amalgamations, mergers and take-overs with no productive consequences. This is becoming something of a fad in New Zealand. The private sector cannot regard New Zealand as a haven for 'social welfare capitalism'."

On pay restraint: "We have settled a new pay formula with employers and employees. There will be a tripartite discussion—Government, employer and union—before the beginning of the annual wage round. It will be for that tripartite forum to determine the limit that the round will sustain. The limit will not be seen as a minimum or a maximum. This is not unique—Austria, Singapore, Fiji, Germany—but for New Zealand it's novel."

"It's different from Australia's where they have accepted the principle of indexation. We haven't, because we are going to build into our economic considerations the social wage which the Government delivers, the tax arrangements for the lower paid which make it unnecessary for them to ask for, say, the inflation rate, or the impact of better health services or education. These will be

taken into account in reaching the tripartite agreement."

On the previous Government's "think big" investment projects:

"The gamble did not pay off. It would have been perfectly possible for them to have pointed to their wisdom had things worked out differently. But the price of oil actually took a 15 per cent cut. We have an enormous investment in a synthetic petroleum plant. This will work and will become, in New Zealand terms, self-supporting with a prospect of profit because the Government fixes the price of petrol. We know that the Marsden Point oil refinery will not be as economical as importing motor spirit."

On protectionist policies: "Devaluation is the most important import protection there is. We are committed to continue with movement away from quantitative import licensing to a form of tariff. As a result of the recent devaluation efficient import substitution has become a realistic possibility."

On the changes of an approach to the IMF: "None whatever. When I stay at the Waldorf-Astoria you will know we are going to the IMF. While I am in budget accommodation, we are running our own ship. We are nowhere near going. In my country there is a buoyancy of mood, a tremendous sense of optimism."



Mr Lange: a country dripping with abundance

Co-operation between employer and union is remarkable now. We have all the formulae in place for keeping the momentum going.

"You can't think of a country more lousy with prosperity. It is dripping with abundance. We are about to enter an outward-looking phase which means we can trade our way through. It would be a dreadful mistake to give any impression abroad that we were about to lean on the advice of the international receiver."

Hawke wins vote against Peacock

By Michael Thompson-Noel

MR BOB HAWKE, the Australian Prime Minister, regained the initiative yesterday in the bitter political feuding over his Government's handling of organised crime.

In Canberra, the Government moved a censure motion, against the beleaguered Opposition leader Mr Andrew Peacock who two weeks ago stunned Parliament by calling Mr Hawke a "little crook" and a "perverter of the law."

Mr Peacock has done nothing to substantiate his charges and faces a crushing defeat in the General Election expected to be called before Christmas.

The Opposition has attempted to claim that the Hawke Labor Government has been "soft" on organised crime.

Yesterday, however, Mr Hawke said that Mr Peacock had "made the vilest of charges expected to be named in a Royal Commission report on organised crime due to be published soon. Mr Peacock denied all allegations as 'demonstrably false' and claimed that he was the victim of malicious rumour and innuendo."

Israel considers ban on luxury imports as reserves dwindle

BY DAVID LENNON IN TEL AVIV

THE ISRAELI Government is considering curbing imports, including a ban on consumer durables such as cars and videos for a period of three to six months in order to ease the drain on the country's dwindling foreign currency reserves.

The reserves fell again last month, the fourth fall in a row, and they now stand at just over \$2bn, well below the \$3bn considered as the minimum required to finance three months' imports of basic commodities.

The import ban is the latest in a series of piecemeal steps taken or proposed by the new Government in the past three weeks. Mr Shimon Peres, the Prime Minister, has described these as "fire-fighting" measures while a comprehensive plan to cure the country's severe economic woes is prepared.

These steps have included slashing subsidies on a wide range of basic commodities, imposing a 15 per cent levy on the purchase of foreign currency, ending free high school education and imposing taxes on children's allowances. Mr Yezhak Moda'i, the

Finance Minister, has also won agreement from various ministries to cut \$200m from the budget of approximately \$20bn. He hopes to round up the cuts to \$1bn.

The idea of hoarding imports was ridiculed by many economists and businessmen yesterday. Prof Haim Barkai of the Hebrew University, said that the import ban was "nonsense." While Mr Zvi Amit, director of the Union of Chambers of Commerce, said: "This is not a serious step and will not solve the country's problems."

The real problem, Prof Barkai said, is the purchasing power of the Government and the public. Banning some imports does not reduce this purchasing power. "This is simply a hysterical reaction to the developments in the economy," he said.

Mr David Levy, a deputy Premier and the Minister of Housing, condemned the latest economic steps as liable to push up inflation. He criticised the Finance Minister for backing down from the proposal to impose a surtax on incomes. "The Government humiliates itself," Mr Levy said.

China presses call for reunification with Taiwan

BY MARK BAKER IN PEKING

THE CONCLUSION of the Sino-British agreement on the future of Hong Kong has prompted the Peking press to press for national reunification.

Peking is using the Hong Kong deal—and the euphoric celebrations of the 35th anniversary of the People's Republic—to amplify its calls for reconciliation talks across the Taiwan Strait.

The issue has been a dominant theme in the anniversary speeches of Communist Chinese leaders and a special commentary in the party newspaper, People's Daily, which urges Taipei to "return to the embrace of the motherland."

But the Nationalist authorities have shown no signs of succumbing to the festive spirit. Their immediate response to the initialling of the Hong Kong agreement last Wednesday was to offer multiple entry visas and home purchase loans to Hong Kongers who want to return to Peking in 1997.

Peking has renewed its promise to give even greater autonomy to Taiwan than Hong Kong will have after reunification, including the right to maintain independent armed forces and retain its existing autonomous political system.

In his speech to 3,000 guests at a National Day banquet at the weekend, the premier, Zhao Ziyang, said the Hong Kong agreement was "big step forward in our great cause of national reunification" which should be celebrated by all Chinese.

The Chinese leader, Deng Xiaoping, pushed the point at yesterday's mass parade in Peking, describing Taiwan as "part of our sacred territory."

'Scant prospects' of early recovery in Zimbabwe

BY TONY HAWKINS IN HARARE

ZIMBABWE'S state-controlled Zimbank sees scant prospect of an early general industrial recovery in Zimbabwe warning that only textiles and foodstuffs are likely to show any real expansion during 1984.

In its latest Quarterly Economic Review, Zimbank says industrial output fell more than 8 per cent in the first half of 1984 after a marginal 2 per cent decline last year. It says that while the value of mining production was up 13.5 per cent in the first five months of this year, many major mines are still dependent on state assistance to cover electricity and transport costs.

In agriculture, the bank says prospects depend crucially on weather conditions, but much will depend too on how farmers respond to the increased maize producer price. This has been

received unenthusiastically. The bank blames "continuing large budget deficits for Zimbabwe's severe balance of payments problems. The budget deficit is also at the root of the country's import allocation, service of payments, liquidity, cost, inflation taxation and debt service difficulties."

It says that Zimbabwe's underlying budget deficit in 1984-85 is projected to be 23 per cent higher than last year's 25 \$30m (\$470m). It warns that the balance of payments will be subjected to intense pressure for the rest of this year, adding that the Government has begun negotiations with the IMF for a new standby facility to replace the SDR 300m (£240m) standby agreement which lapsed in February this year "when the budget deficit exceeded acceptable levels."

Tanzanian austerity drive not sufficient for IMF

BY PATTI WALDMEIR

AUSTERITY measures announced earlier this year by Tanzania in an attempt to narrow differences with the International Monetary Fund (IMF) on conditions for balance of payments support have been rejected as insufficient by IMF officials, according to Prof. Kighoma Malima, Tanzanian Planning and Economic Affairs Minister.

Speaking after talks with IMF officials in Washington last week, Prof. Malima told a seminar in London that Tanzania had hoped last June's budget—which included a 25 per cent devaluation of the shilling and a cut in the subsidy for maize meal, the staple food—would have persuaded the IMF to resume stalled talks on a loan of SDR 150m (£120m).

Prof. Malima said the IMF's reaction is that "we've moved in the right direction, but not far enough." Prof. Malima said. He was not optimistic that talks which have been going on for the past five years and which faltered earlier this year, could soon be resumed.

Tanzania recognised that structural adjustment of its economy was imperative, but believed that too precipitate action on the exchange rate and food subsidies could cause social upheaval, and would penalise those sectors of the population least able to bear added hardship, he said.

For this reason, the Government sought to offset the effects of recent subsidy cuts on maize and fertiliser prices and the devaluation by increasing the minimum wage and non-producer prices. But this had violated the IMF's prescription for Tanzania. Black Africa economies, Page 22

'Stem Singapore property slump'

By Chris Stewart in Singapore

A POWERFUL appeal to the Singapore Government to help stem the slide in property values has come from the Singapore International Chamber of Commerce, representing the island state's business community.

The appeal represents the strongest public comment yet on the past year's drop in property prices.

Afghanistan rebels 'kill 100 troops'

AFGHAN rebels have killed about 100 government troops in systematic attacks in and around the Afghan capital of Kabul, Western diplomats told AP in Islamabad.

The attacks were being described as an extension of the wave of bombings and rocketing that began three weeks ago and the biggest rebel effort for at least a year.

ADVERTISEMENT

FOCUS ON SOUTH AFRICAN COMMERCE AND INDUSTRY

Fighting for Press freedom — Argus speaks out

Layton Slater and Hal Miller, respectively chairman and MD of Argus Group, speak in this interview with Richard Rolfe, London-based international editor of Finance Week of Johannesburg.

Rolfe: You describe yourselves as the biggest publishers in Africa. Could you quantify this?

Slater: Well, we publish more newspapers than anybody else in Africa. We have certainly the highest turnover in newspapers of any of the groups in South Africa and I don't know of anybody, other than in Egypt, who has any reasonable size investment in newspapers.

Rolfe: Do you see any major possibilities for Argus to expand in the printing and publishing of newspapers?

Slater: In South Africa there is a degree of saturation. There's a fair spread of publications and there are two language groups — English and Afrikaans papers as well, and people are inclined to forget that they are part of the publishing scene. So direct expansion opportunities are not all that great.

We are to take The Star into the Sunday field with effect from September 30 this year. So The Star, which is the biggest circulation daily in South Africa, will have a seven-day week presence in its present circulation area. But that's about the only expansion plan we have at the moment.

Rolfe: What are the financial implications? Will you have to staff up the Sunday paper as a separate entity, for example?

Slater: It will be a Sunday edition of The Star under the same Editor, with a separate daily editor and Sunday editor under him and some additional staff. But by and large it will be part of the same Star establishment structure, producing an extra edition on Sundays.

Rolfe: Do you expect it to be profitable immediately?

Slater: Well, the Saturday Star, which we launched a little while ago, was profitable pretty well straight away and we would like to think there is a possibility of getting the Sunday Star into a break-even situation, even if we don't make a profit. But we expect in the long run to make a profit otherwise we wouldn't be going into the venture.

Rolfe: Doesn't this raise the future of your relationship with SAAN? You have a 40% shareholding there but you are now competing heavily across the board with them? How do you feel about that?

Slater: Well, this has always been the case. We have always said to people — it has been an arm's length arrangement — that since it became impossible for both companies to get into a joint printing operation, and there are many reasons for that, it also became inevitable that competition would intensify. Consequently we have had normal, healthy competition between us and SAAN. As far as the Sunday edition of The Star is concerned, after all, every great newspaper in the world, from the London Times to the Los Angeles Times, has Sunday editions. It is part and parcel of the successful operation of a prominent daily to have a Sunday edition. That's really all there is to it.

Miller: First of all, the Sunday Star is not aimed at

anyone else. The Star needs a Sunday edition for strong economic and marketing reasons. Analysis of the market suggests that The Star will be welcomed on Sunday. It will be a regional newspaper aimed at The Star's existing readers in its present circulation area. But it will meet them there in a Sunday mood.

Rolfe: Do you have any plans to go Sunday with your coastal papers?

Slater: We have already got the Sunday Tribune in Durban and in Cape Town you can't publish a Sunday paper, because you can't sell it on the streets on Sunday. We have the weekend Argus which has been traditionally Cape Town's weekend paper so the answer is that we are already there, we already have a presence.

Rolfe: Do you have any plans for direct involvement in magazines?

Slater: I think the answer to that is a very strong "No".

Miller: We are very happy to leave our magazine development in the hands of our associates, Caxton, who are experienced in the field.

Rolfe: You feel there are different skills involved in magazine publishing as opposed to newspapers?

Slater: It took us a long time to find that out, but we eventually did.

Rolfe: What are the expansion prospects at CNA/Gallo?

Miller: We went into the joint operation with the Premier Group because we believed there was considerable scope for growth on the video side of the industry particularly — with Gallo on the licensing and manufacturing side and CNA on the distribution side — and so it has proved to be.

Rolfe: Through info you have what you call a 'gateway' into the Post Office Beld system. What commercial potential do you see in that?

Miller: We are actually in the information industry — the business of conveying facts from where they occur to where they are needed — and info has thus far been largely a research and development investigation into the part electronics will play in the years ahead in storing and disseminating that information.

At the moment, most information is conveyed through the printed word but there is no doubt that

as the number of micro computers grows, electronics will play an increasing role. None of us knows where the balance will be struck between print and computerised data banks and we are simply preparing ourselves in our Info probe.

Rolfe: What do you see as the main thrust of Info being in the future? Towards an information system via the TV network?

Miller: Overseas experience suggests that, as Prestel found in Britain, there is no need at this stage for a fully-fledged electronic newspaper. There is not a vast audience out there paning to have contact with electronic information through micro computers — at least not yet. There does appear to be a need for specific information in certain areas in which computers can provide quick access to helpful material stored in a data bank.

Rolfe: You have just completed a major round of expenditure on Info office premises. Is this paying off?

Slater: Very definitely. That was a move we made at the right time. We should perhaps have acted sooner, but there were many factors excluding us from doing it. One was the advent of TV and we had to fight that first. But without a shadow of doubt, the introduction of electronic editing and offset printing has paid handsome dividends.

Rolfe: How much spare capacity do you have?

Slater: There is a reasonable amount of capacity always, because we only run afternoon newspapers and now we are adding a Sunday. So although in point of fact there is 50% capacity available in theory, I think in practice this is probably not quite so because there are supplements and pre-prints to be done. But there is some spare capacity.

Rolfe: In the face of technological changes on that side of the industry, do you think you will be into a new round of expenditure in the near future?

Slater: I don't think so, we can't think of any way we would be, not as far as the newspapers are concerned.

Miller: In the finance plan we are trying to make for the time ahead we are allowing for things, like automated publishing in Durban for example, and renewing the automated publishing in Johannesburg. But the major, necessary round of expenditure has been met over the last two years. Now, there is minor ongoing expenditure which we must plan through the years ahead, but there won't again be this massive bulk to digest.

Rolfe: Do you have any interest in overseas expansion?

Slater: The simple answer to that is "No". We don't believe you can run publications at a distance — at least I don't think so. We have enough to do on the South African side, without getting involved in any overseas business ventures.

Rolfe: The editorial contents of your papers have been described in some quarters as "bland". Do you have any comments on that?

Slater: I can only tell you that we seem to be serving the market more effectively than most other people. Our circulations are rising so therefore I don't see how anybody can say our editorial content is "bland". I think our papers have always had something to say. They say it in a moderate sensible

kind of way and this is obviously accepted by the public.

Miller: There are two aspects to editorial content — fact and opinion. We believe it is vital, in the first place, to get the facts right: to provide accurate, balanced, precise, timely information. We think our papers do a good job, by and large, in providing that information so that people can make up their own minds about the issues of the day.

In commenting on the facts of the day, our editors express their point of view freely and our readers can take that point of view into account in making up their own minds. We do not agree that the contents of our papers are at all bland although we readily accept that they are not extreme.

Rolfe: What is your attitude to TV and radio? Is that an area you would like to invest in if the State monopoly were dismantled?

Slater: I don't think there is any shadow of doubt that if we could get into commercial radio and commercial TV, we certainly would. We were in it to Rhodesia and had to get out eventually. But there is no shadow of doubt that there ought to be some free enterprise commercial radio and commercial television in this country.

Whether there ever will be is another matter, but if there is we would like to have a slice.

Rolfe: Is this something that you actively promote?

Slater: Yes, we do it all the time. But the Government have made it perfectly clear so far that they are not going to allow competition to SABC.

We are not alone in this, the other three major groups have exactly the same feelings about this as we do.

Rolfe: That aside, do you have any major diversification aims?

Slater: No. We have just taken over the controlling shareholding in Hortons, the printers, as you know. Other than that we have no plans. We have our investment in Info. There is CNA/Gallo and our 50% share of Caxton. When you think of it, we have a fair amount on our plate. If very good opportunities present themselves, we certainly wouldn't turn our backs. But we have no specific plans at this particular moment of time.

Rolfe: What is your view have been the main recent trends in Press freedom in South Africa?

Slater: Well, if you are talking legislation and regulation, then I think there is a consistent whitening down of that freedom, particularly in this country. There is regulation to a large extent and government departments clamp up and have a host of rules, restrictive rules and regulations, that make life extremely difficult.

Miller: Press freedom is under assault not only in South Africa but in many countries overseas.

We must fight for that freedom in our papers and through the NPU and every other organisation which can bring influence to bear. I think we need to be careful, though, not to misunderstand that freedom. It is so more than the freedom which the individual should enjoy; to live and to think and to speak freely. And, although we need to be free from official interference, we must still be subject to discipline in the form of our own internal professional and company codes of conduct.

Having said that, though, the Press and the individual must be free — free to say, to talk, even to shout; as long as the noise we make does not unfairly disrupt our neighbours.

Throughout the world, that voice is in danger of being steadily diminished and the danger is to be fought whenever it arises. It is not something which will disappear with a new government in South Africa. The records show that almost every government, every authority, has the same tendency to try to direct the Press to its advantage — to favour its particular recipe or pattern of government. Almost certainly, the most important part of the job of a newspaper editor or manager is to fight that tendency — and 'we' will still be fighting it in a hundred years' time.

The Argus Printing and Publishing Co. Ltd. 47 Sauer Street, PO Box 1014, Johannesburg 2000. Tel 8-7480. Tel 633-2994. Telegrams and Cables: ARGUS

The answer to all your personal questions is staring you in the face.

A Wang personal computer has a quality that's apparent at first glance.

It looks you in the eye and tells you what you want to know. The screen sits on an adjustable arm so you can move it around to suit you, at a touch.

The computer itself can handle all your private data and serve as a personal work station in the overall company network.

So whether the question is purely personal or concerns the company as a whole, Wang make sure the answer is staring you in the face.

WANG

The office automation computer people.
WANG (UK) LTD, 661 LONDON ROAD, ISLEWORTH, MDDX. TEL: 01-560 4151



THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Production at Plessey

An engineering revolution

BY PETER MARSH

"WE HAVE been through a revolution." That is how George Emerton, chief industrial engineer at Plessey Military Communications, sums up the changes in manufacturing technology over the past three years at his company's plant in Ilford, Essex.

The company earns about £100m a year (one-tenth of the annual turnover of the Plessey group) in sales of military communications hardware. The products range from small radios that soldiers carry on their backs to battlefield telephone networks, for instance the Paragon system that Plessey produces for the British Army.

Since the company realised three years ago that it was out of step with modern developments in manufacturing technology, it has spent some £5m on new computerised machine tools plus a communications system to connect the hardware to terminals in the offices of managers and product designers.

Though the modernisation programme will not be fully completed for at least another year, Emerton already claims these benefits:

- Output of metal components from the machine shop has increased by 50 per cent in five years, while the number of machinists has stayed the same at 150. In an interesting sociological twist, Plessey reclassified these people's jobs. Now they tend computerised machines, they are categorised as part of the staff whereas beforehand they were hourly-paid workers.
- Turnover of the company has increased in this time by about 20 per cent in real terms. Over the five years, total employment has remained roughly constant at about 8,000, says Emerton.
- The company is processing components through the factory at twice the previous rate, cutting the proportion of its stock that is sitting either in a warehouse or in varying stages of completion on the factory floor.
- Lead times for the introduction of new products have been greatly reduced. It used to take 21 years to bring a product from the ideas stage to manufacture. This time has been halved, Emerton reckons. Thanks to the flexibility of computerised manufacturing, the company can turn out various types of new products very

quickly, using blueprints provided by computer-aided design. Central to the change in techniques was a reorganisation of Plessey's 150-strong team of manufacturing engineers. The company supplemented these people with a cadre of seven graduate engineers, whose salaries for spells of two to three years were paid for mainly by the Government under what is called a teaching-company scheme.

Plessey was so satisfied with the work of these people that three now have permanent jobs within the engineering unit.

Barrier

As a result of the changes, the people in the engineering department spend less time working out detailed production schedules—much of this work is done by the computers. They consequently have more time to liaise with draughtsmen and planners. This ensures that parts for new products are designed so they can be manufactured easily.

"We have got rid of the barrier between design and manufacture," claims Emerton. Some 35 per cent of the engineers have their own computer terminals. Some have been on courses in economics so they have a better idea of the financial implications of new engineering techniques.

As part of the project, the company recruited 20 new engineers with skills in modern production methods such as computer-aided design. Plessey got rid of a similar number of its existing engineering staff who could not be assimilated into the new method of working.

A key move was the establishment in 1981 of a teaching-company scheme, a joint project between Plessey and the engineering department of Cambridge University. In such projects, administered by the Science and Engineering Research Council, graduate engineers work in industry, normally for two years.

These schemes, of which some 250 have been set up, have three main aims. They are supposed to bring academic expertise to manufacturing companies; equip graduates with industrial skills

to supplement their theoretical knowledge; and strengthen links between the company and the academic institute that acts as a base for the graduates.

In the Plessey scheme, seven graduate engineers, mainly in their mid-20s and with about two years' previous experience of working in industry, helped Emerton to plot the new strategy.

Emerton concedes that, for Plessey, the scheme was financially attractive. From the project, he gained a total of some 15 man-years of engineering effort for a mere £50,000. This outlay represented cash Plessey spent on items such as expenses for company visits plus a small topping-up of the seven men's salaries.

In return for the virtually free service of the engineers, Emerton says Plessey helped out Cambridge University in, for instance, giving undergraduates spells of training at the Ilford works.

Purchase of new equipment and the restructuring of his engineering team were only two facets of Emerton's "revolution." The company also had to dispose of a great deal of old-fashioned manufacturing equipment.

To replace the equipment, Plessey bought a new set of modular clamping mechanisms with which jigs for virtually any component can be built up, in the style of construction with Lego bricks. The new hardware weighs no more than about 1 tonne, according to Emerton.

In other rationalisation measures, the company rethought exactly what it needed for the tools such as drills and cutting devices that fit into spindles to gouge pieces out of metal.

Before the modernisation project started, the company's tool room contained no fewer than 450,000 types of hardware used either to fashion or clamp metal parts. By the end of the programme, this number was reduced to 15,000.

An immediate result was that Plessey realised it no longer needed its tool room and demolished it.

This corporate spring-clean did not stop at the support hardware for machine tools. The company reduced from 320 to 180 the machines themselves,

mostly manually controlled and used not just to cut metal but for operations such as pressing.

Plessey has still to finish the modernisation project. The changes that have occurred so far have affected mainly the machining stage of factory operations. In this, tools shape from blocks of metal the cases, brackets and other components used in military radios.

In two other important parts of production, the company puts electronic components onto printed circuit boards and then assembles the boards into cases to make the finished radios. Some of the easier jobs in these assembly tasks can be done by automatic, computer-controlled machines.

For example, such hardware can insert standard components like resistors into plugs in the boards. The components are held in handholders and a special-purpose gripping device prods the part into its appropriate slot.

But other assembly tasks, such as the insertion of components of intricate or non-standard shapes, are too fiddly for this kind of machinery. As a result, people have to do the job.

To automate these parts of the manufacturing process, Plessey plans to install robots that are more versatile and can do trickier jobs than the current generation of insertion hardware.

Criteria

In a further step, Emerton wants to automate the testing of finished radios, a vital task that is still mainly dependent on manual techniques.

Not the least of its problems was that Plessey has been forced to develop new financial criteria to rationalise to the company's accountants the steps it was taking. Conventionally, such accountants will approve new investment projects only if they pay for themselves in a set number of years.

But Emerton argues that his kind of programme in manufacturing industry is required simply to stay up with competitors. "We had to rethink our financial conventions. What we have done was needed on strategic grounds and to stay in business."



George Emerton (right) with two members of the project team, Paul Stewart (left) and Alan Williams, both of whom have been taken on permanently by Plessey

The members of the team

AT THE heart of Plessey's new manufacturing system are four big computers, two made by DEC and the others from Hewlett-Packard. These machines store data about the design of products; the programs that run the computerised cutting tools; the management of production by the different items of factory hardware; and the flow of materials through the plant.

Any group of engineers thinking about automation must ensure that information from such supervisory computers is correctly channelled to other items of hardware, including not only cutting and assembly machinery but terminals with which financial planners and sales people can keep track of developments on the shop-floor.

Plessey devised six key tasks for its corps of graduate engineers seconded to the company under a teaching-company scheme. Each person took over one job, with Mike Dumeau, the seventh member of the team, overseeing the entire project.

● Dave Hancock, a manufacturing engineer who came to Plessey from a job at International Paints, worked out how to connect the computers to the 19 computerised tools in the company's machine room.

● Dr Paul Stewart worked

Pastmasters bid for the hat-trick

Michael Dixon on the UK Management Game

IS ANYONE good enough to stop the hat-trick? Nobody would bet on the question at the Windsor headquarters of the UK National Management Game as entries roll in for the 1985 championship. To the administrators of the computer-based contest the name "Pastmasters" has much of the same significance as "Liverpool FC" has for the Football League.

The Pastmasters team has not only won the last two UK championships but gone on this year to take the European management title. In Helsinki 10 days ago its members directed their "paper" consumer-durable company to a comfortable victory over the national champions of Finland, Ireland, Sweden, Denmark, the Netherlands and West Germany.

As the Pastmasters bid for their third successive UK title, two of the team have been in the same position before. They are John Chappell and Paul Webb, accountants with Rank Xerox, who previously won the national contest in 1976 and 1977 and went on to beat the best of Europe in that second year.

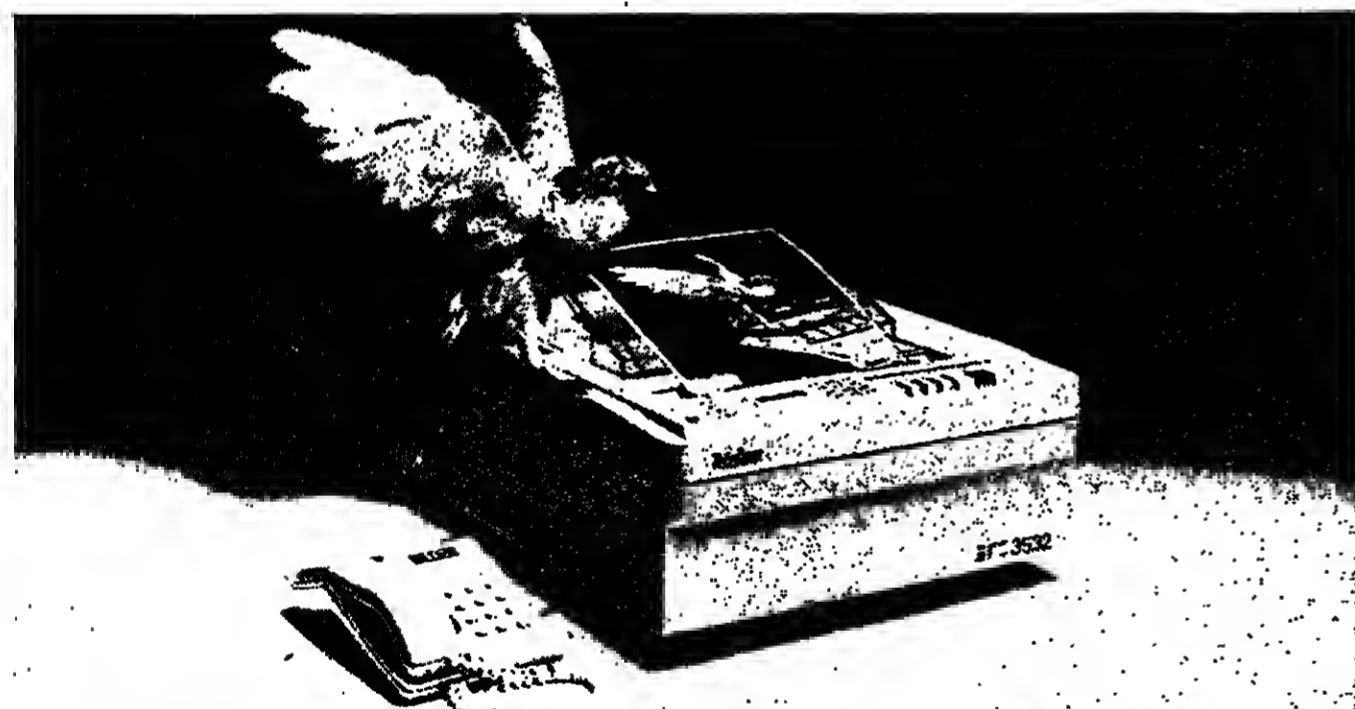
While they failed in their attempt at a hat-trick of nationals in 1978, the fact that the 1978 winners were a team from Shell Oil UK may itself strengthen Chappell and Webb's prospects of achieving their third victory running next summer. For a leading member of the 1978 Shell team was Geoff Brown, another accountant who joined the Rank Xerox pair to make up the winning Pastmasters combination in 1983 and 1984.

"They're going to take a lot of stopping this time, that's for sure," says Tony Etchells, the game's chief administrator. "But there's some strong competition lined up against them already, including Rediffusion which won in 1982, and there'll be more coming in before we close the lists in the middle of October. Who knows? Somebody entirely new may come in and wipe the floor with them. It's been done before."

Nearly 12,000 teams, comprising about 70,000 individual players, have taken part in the UK national championship since it was launched as the world's first mass-entry management competition in 1970. The sponsors are: the Financial

WINNERS OF THE UK MANAGEMENT CHAMPIONSHIP

- 1970 ICFE
 - 1971 Bells-Royce (1971)
 - 1972 Essex County Council
 - 1973 Norwich Union
 - 1974 John Clarke, private entry
 - 1975 Littlewoods Organisation
 - 1976 Rank Xerox
 - 1977 Rank Xerox
 - 1978 Shell Oil UK
 - 1979 Neil Tomkin, private entry
 - 1980 Shell Oil UK
 - 1981 South-East Essex Sixth Form College
 - 1982 Rediffusion Radio Systems
 - 1983 Pastmasters, private entry
 - 1984 Pastmasters, private entry
- * Also won European championship.



TWO ECONOMIC WAYS TO SEND INFORMATION. ONE IS FASTER.

The STC Telefax 3532. You won't find a pigeon to beat it. From Birmingham to Bristol or Bradford. Even Bahrain. In 40 seconds. Or less.

Whether the pigeon is economic is debatable. As to the STC Telefax 3532, there's no contest. Sending on A4 sheet takes up to 40 seconds and will cost you only the price of the photocall. In real terms, not even that. After all you can't say much in 40 seconds. But you can send a lot.

Clear copies. Perfect pictures.

Letters. Diagrams. Drawings. Documents. Even photographs. All can be transmitted by the STC Telefax machine and faithfully reproduced. On the other side of the city. Or the other side of the world. Using one uncomplicated machine.

Easily. Automatically.

Dial the number. Feed the machine. Press the button. Easy. And automatic. The

STC Telefax 3532 will feed itself (up to 30 sheets of A4) and receive without someone standing by. It even cuts documents to size. You'll certainly save on paper. And money. And time.

Fits in anywhere. Clever too.

Smaller than some modern typewriters, this neat machine is big on brainpower. It can be called up from a distant machine, at any time of the day or night. Unattended. It will also make a note of who's sent what, when, and where. When you need to see the record, just "ask" the machine.

Telefax is a registered trade mark of Standard Telephones & Cables plc.

To: Marketing Communications Dept.
STC BUSINESS SYSTEMS LIMITED,
Maidstone Road, Sidcup, Kent DA14 5HT.
Telephone, during business hours:
01-300 7788. Telex: 896599

Please send me more information about:
The STC Telefax 3532
The STC Telefax 353X Series
Please ask your salesman to call

Name _____ FT/10
Company _____
Type of Business _____
Position _____
Address _____
Postcode _____ Tel no. _____ Telex no. _____

SYSTEMS FOR BUSINESS COMMUNICATIONS

BRADBURY WILKINSON'S CITY OF LONDON SALES OFFICE MOVES TO THE WORLD TRADE CENTRE

International high security printer, Bradbury Wilkinson plc is pleased to announce that its Sales Office in the City of London is moving into larger accommodation at the World Trade Centre.

From 1 October 1984, the company looks forward to continuing to serve its customers throughout the world from this new base, which reflects the international spirit of a company that serves over 90 countries.

Bradbury Wilkinson's Office In

the City of London has built up an enviable reputation over many years for the supply of Bearer Bonds, Certificates of Deposit and Share Certificates.

Other high security activities undertaken by the other members of the Bradbury Wilkinson group of companies include the design, origination and manufacture of banknotes, travellers' cheques, passports, cheques and drafts, airline tickets, credit cards, and security inks.

Bradbury Wilkinson (Aeroprint) Limited
International House, The London World Trade Centre
1 St. Katharine's Way, London E1 9UN
Telephone: 01-481 8825 14 lines Telex: 892 693 BW BOND
Facsimile: 01-480 5209 (Group III)

BRADBURY WILKINSON ATTACHED TO THE WORLD TRADE CENTRE

CONSULT MERCHANT SYSTEMS FIRST
FOR MICROCOMPUTER SOLUTIONS THAT LAST
MERCHANT SYSTEMS
01-583 6774
Chris Grant is your contact
MERCHANT SYSTEMS LTD, LONDON E.C.4.

CFS
Today's large system application software designed by accountants to cope with the growing complexities of International Financial Management
Information from John Pater, THORN EMI Computer Software, Corporate Products Division, Thornwood House, 288 Hammersmith Road, Hammersmith, W6 7JH. Tel: Farnborough 02521 94323
THORN EMI Computer Software

THE U.S.A. is the world's most competitive market for micros. Which leading European computer company achieved most of its turnover there last year?
7A TRIUMPH ADLER
7A World Leaders in Office Communication
For the answers to your business computing questions ring Kate Myles at Triumph Adler on 01-250 1717.

THE NEW RENAULT 25. THE ORIGIN OF A SPECIES.



In the evolution of the luxury car, the Renault 25 V6i marks the beginning of a new era.

You'll sense it as you admire the sleek, aerodynamic contours.

You'll appreciate it as you settle into one of the most sumptuously spacious interiors of any car in this class.

And you'll feel it as the powerful V6 engine surges from 0 to 60 in under 10 seconds, and

on to a top speed above 125mph.*

Yet in this new species of car, performance is matched by practicality. And elegance goes hand-in-hand with efficiency.

That same V6 engine will return over 40 miles per gallon at 56mph, and a remarkable 31.7mpg at a constant 75mph.**

While exceptional levels of comfort, for both driver and passenger, are enhanced by such facilities as electrically adjustable front

seats and a height-adjustable steering wheel.

With a choice of four models—the 2 litre TS or GTS, the 2.2 litre GTX and the 2.7 litre V6i—the five-door Renault 25 sets new standards of ingenious, yet functional design.

In a world where only the fittest survive, the luxury car has never been in such good shape.

RENAULT
25

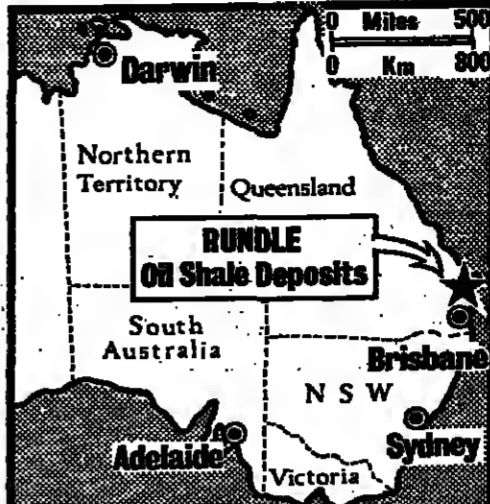
THE NEW RENAULT 25. THE ORIGIN OF A SPECIES. FROM £7,950 TO £13,440.

Prices (correct at time of going to press) include 15% VAT, Car Tax and front seat belts. Number plates and delivery extra. *Manufacturer's figures. ** Government test figures: Renault 25 V6i 5 speed (car illustrated). Simulated urban cycle 18.3mpg (15.4L/100km). 56mph: 40.4mpg (7.0L/100km). 75mph: 31.7mpg (8.9L/100km). For a brochure write to Renault UK Ltd, PO Box 36, Souchal, Middx. West End Showroom, 77 St Martin's Lane, London WC2. RENAULT recommends 88F Shellene.

ENERGY REVIEW

Rundle estimate boosts Australia's oil hopes

By Roger Hogan in Sydney



The signs are that exploration is not doing enough to keep pace with projected demand. The problem is the country's relatively low prospecting rate. Earlier this year the Bureau of Mineral Resources estimated that there was an 80 per cent chance of finding another 1.9bn barrels of oil and a 20 per cent chance of finding another 1.9bn barrels. The latter figure is roughly equal to the amount discovered so far. Yet even this optimistic projection accounts for only a very small proportion of the 550bn barrels estimated to be waiting to be discovered around the world.

THE RECENT disclosure that Esso has reduced by two-thirds its estimate of what it would cost to develop the massive Rundle oil shale deposits in Queensland, Australia, was the best piece of news on the country's oil scene for some time. Three years after shelving the project as uncommercial, the oil company has completed an engineering study which suggests that a full-scale 90,000 barrels a day plant could be built for U.S.\$ 2.65bn (£2.04bn). In 1981 the cost was put at about U.S.\$ 9bn.

According to Esso, the revision has been made in the light of new geo-technical data and the "mitigation" of certain problems involved in exploiting the 2.5bn barrels of oil calculated to be there. The test that only a fraction of the reserves are recoverable — Esso will not say how much — was one of the reasons for not going ahead with the project when the oil price showed signs of stabilising after the 1979 Iranian revolution. The new study does, however, appear to be consistent with claims by Southern Pacific Petroleum and Central Pacific Minerals, the so-called "Rundle Twins" and Esso's partners in the project, that the operator was being unduly pessimistic in its previous assessment. In 1980 the twins estimated the cost of constructing a pilot plant to be US\$700m, a figure trebled by Esso's own projections a year later. Now the oil major says such a development, producing about 16,800 b/d, would cost about US\$645m.

It was the twins' chairman, Sir Ian McFarlane, who released the results of the study and claimed that at present oil prices Rundle could be economic. The adrenalin was still surging through the Australian stock exchanges when Esso replied coldly that, as far as it was concerned, the oil price would have to go up before shale oil became commercial. The company would not say by how much, but a spokesman added consolingly: "Every year brings us closer to development." The closer the better, for Australia is becoming increasingly conscious of the fact that its oil reserves are being used up faster than they are being replaced and that some action is needed to prevent the situation from becoming critical in the early 1990s. Recent events have highlighted the problem. The failure of the Jabiru discovery in the Timor Sea to live up to its promise has discouraged the belief that a giant offshore find comparable to the Bass Strait fields was just around the corner. New oil taxation has met with a mixed response, although the general feeling is that it acts as a disincentive to exploration in high-risk areas — another reason for forsaking offshore projects in favour of cheaper onshore.

Another solution is to export, and under the second stage of the project Japan will receive 5m tonnes a year of liquefied natural gas (LNG). Coal is one of Australia's major exports and received huge investment after the 1973 and 1979 oil shocks. The post-1980 recession, however, upset demand predictions with the result that many mines are working well below capacity. The industry has fought back to the extent that exports rose sharply from 56m tonnes in 1982-83 to 64m tonnes in 1983-84 and the country has overtaken the U.S. as the biggest coal shipper. However, its share of the Japanese market — traditionally its biggest customer — has slipped, but the overall outlook is good with an expected rise in demand from the fast-developing countries of the Pacific basin. Alternative forms of energy such as solar power have caught on as a way of beating household water, but the technology that would allow its use on a wider scale has not yet been proved. This is the background which adds bite to the need to keep the country's oil self-sufficiency at around 70 per cent into the 1990s, when the Bass Strait fields will have entered their decline phase. According to Broken Hill Proprietary, the country's biggest oil and gas explorer, domestic production will peak at 500,000 b/d in 1986 and slip sharply to 400,000 b/d two years later unless new discoveries are brought on stream. The effect would be to reduce self-sufficiency to 30 per cent by 1996.

Mr Alex Corrie, managing director of BP Australia, calculates that if oil demand were to grow at about 1 per cent a year the country would have to find a 200m barrel oilfield every 10 months to maintain self-sufficiency. As he wryly points out, "Australia is not blessed with too many 200m barrel oilfields" and there should be more encouragement to explore. The stumbling block here is the secondary tax the Hawke government has introduced on new fields in anticipation of the fall-off in revenue from the Bass Strait. Many oilmen fear that this resource rent tax could be used by the Government as a way of topping up the kitty whenever it runs short, with consequent damaging effects on exploration levels. It has already resulted in many companies expressing a preference for exploring onshore in such established areas as the Cooper/Eromanga basin, but it is offshore where the greater likelihood exists of finding the large fields the country needs. Senator Peter Walsh, the Energy Minister, has indicated that the Government is prepared to listen and talks are under way with the Esso-BHP and Barrow Island joint venturers to formulate a tax arrangement which would not prejudice their development projects. Eventually the tax treatment of the Rundle oilshale project will also have to be determined — a process not easy for a government convinced there is much more oil still to be found by conventional exploration. In the meantime Esso's apparent progress in solving the problem at Rundle is cause for modest celebration.

\$34m CALIFORNIAN BIOMASS PROJECT DUE TO BE COMPLETED NEXT YEAR

BY MAURICE SAMUELSON

WOOD, man's oldest fuel, is making a comeback as a direct substitute for oil in power stations or as a raw material for conversion into high octane oil substitutes. Countries with large forestry industries, such as the U.S., Sweden and France, are in the forefront of using timber and other vegetable materials, known collectively as biomass, for energy purposes. One of the newest biomass projects is an 18 megawatt power station to be built in California by Applied Power Technology, a private company headed by Baron Steven Bentinck, a colourful member of the German Thyssen family. Although there are much larger publicly-owned wood-fired power stations in the U.S., including a 260 Mw plant planned in New England, APT's is claimed to be the largest private venture of this kind in California. Under a contract signed last week, work is to start immediately on the \$34m plant which is due to be completed late next year. The electricity will be sold under a 30-year contract to Pacific Gas and Electric Company, a subsidiary of the Los Angeles-based Pacific Lighting Corporation, with revenues of about \$5bn a year. The plant, at Oroville, north California, will burn sawmill and urban wood waste, agricultural prunings and forest residues from the surrounding district. Its power will be sufficient for a town of up to 3,000 people. According to the International Energy Agency, biomass fuels, together with wind power, are expected to save the U.S. as a whole the equivalent of 150m tonnes of oil a year by the year 2000, corresponding to 6.5 per cent of total primary energy requirement (TPFER). In Canada, biomass could be saving 22m tonnes of oil equivalent by 2000, equal to 5.5 per cent of energy requirements. In Sweden, according to the National Energy Programme of 1981, biomass should supply around 8 per cent of total energy supply by 1990. In France by 1990 biomass should be contributing about 8m tonnes of oil equivalent out of a national consumption of 190m tonnes a year.

WOOD, man's oldest fuel, is making a comeback as a direct substitute for oil in power stations or as a raw material for conversion into high octane oil substitutes. Countries with large forestry industries, such as the U.S., Sweden and France, are in the forefront of using timber and other vegetable materials, known collectively as biomass, for energy purposes. One of the newest biomass projects is an 18 megawatt power station to be built in California by Applied Power Technology, a private company headed by Baron Steven Bentinck, a colourful member of the German Thyssen family. Although there are much larger publicly-owned wood-fired power stations in the U.S., including a 260 Mw plant planned in New England, APT's is claimed to be the largest private venture of this kind in California. Under a contract signed last week, work is to start immediately on the \$34m plant which is due to be completed late next year. The electricity will be sold under a 30-year contract to Pacific Gas and Electric Company, a subsidiary of the Los Angeles-based Pacific Lighting Corporation, with revenues of about \$5bn a year. The plant, at Oroville, north California, will burn sawmill and urban wood waste, agricultural prunings and forest residues from the surrounding district. Its power will be sufficient for a town of up to 3,000 people. According to the International Energy Agency, biomass fuels, together with wind power, are expected to save the U.S. as a whole the equivalent of 150m tonnes of oil a year by the year 2000, corresponding to 6.5 per cent of total primary energy requirement (TPFER). In Canada, biomass could be saving 22m tonnes of oil equivalent by 2000, equal to 5.5 per cent of energy requirements. In Sweden, according to the National Energy Programme of 1981, biomass should supply around 8 per cent of total energy supply by 1990. In France by 1990 biomass should be contributing about 8m tonnes of oil equivalent out of a national consumption of 190m tonnes a year.

WOOD, man's oldest fuel, is making a comeback as a direct substitute for oil in power stations or as a raw material for conversion into high octane oil substitutes. Countries with large forestry industries, such as the U.S., Sweden and France, are in the forefront of using timber and other vegetable materials, known collectively as biomass, for energy purposes. One of the newest biomass projects is an 18 megawatt power station to be built in California by Applied Power Technology, a private company headed by Baron Steven Bentinck, a colourful member of the German Thyssen family. Although there are much larger publicly-owned wood-fired power stations in the U.S., including a 260 Mw plant planned in New England, APT's is claimed to be the largest private venture of this kind in California. Under a contract signed last week, work is to start immediately on the \$34m plant which is due to be completed late next year. The electricity will be sold under a 30-year contract to Pacific Gas and Electric Company, a subsidiary of the Los Angeles-based Pacific Lighting Corporation, with revenues of about \$5bn a year. The plant, at Oroville, north California, will burn sawmill and urban wood waste, agricultural prunings and forest residues from the surrounding district. Its power will be sufficient for a town of up to 3,000 people. According to the International Energy Agency, biomass fuels, together with wind power, are expected to save the U.S. as a whole the equivalent of 150m tonnes of oil a year by the year 2000, corresponding to 6.5 per cent of total primary energy requirement (TPFER). In Canada, biomass could be saving 22m tonnes of oil equivalent by 2000, equal to 5.5 per cent of energy requirements. In Sweden, according to the National Energy Programme of 1981, biomass should supply around 8 per cent of total energy supply by 1990. In France by 1990 biomass should be contributing about 8m tonnes of oil equivalent out of a national consumption of 190m tonnes a year.

WOOD, man's oldest fuel, is making a comeback as a direct substitute for oil in power stations or as a raw material for conversion into high octane oil substitutes. Countries with large forestry industries, such as the U.S., Sweden and France, are in the forefront of using timber and other vegetable materials, known collectively as biomass, for energy purposes. One of the newest biomass projects is an 18 megawatt power station to be built in California by Applied Power Technology, a private company headed by Baron Steven Bentinck, a colourful member of the German Thyssen family. Although there are much larger publicly-owned wood-fired power stations in the U.S., including a 260 Mw plant planned in New England, APT's is claimed to be the largest private venture of this kind in California. Under a contract signed last week, work is to start immediately on the \$34m plant which is due to be completed late next year. The electricity will be sold under a 30-year contract to Pacific Gas and Electric Company, a subsidiary of the Los Angeles-based Pacific Lighting Corporation, with revenues of about \$5bn a year. The plant, at Oroville, north California, will burn sawmill and urban wood waste, agricultural prunings and forest residues from the surrounding district. Its power will be sufficient for a town of up to 3,000 people. According to the International Energy Agency, biomass fuels, together with wind power, are expected to save the U.S. as a whole the equivalent of 150m tonnes of oil a year by the year 2000, corresponding to 6.5 per cent of total primary energy requirement (TPFER). In Canada, biomass could be saving 22m tonnes of oil equivalent by 2000, equal to 5.5 per cent of energy requirements. In Sweden, according to the National Energy Programme of 1981, biomass should supply around 8 per cent of total energy supply by 1990. In France by 1990 biomass should be contributing about 8m tonnes of oil equivalent out of a national consumption of 190m tonnes a year.

BASE LENDING RATES

Table of base lending rates for various banks including A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers. 27/28 Lovat Lane London EC3R 9EB Telephone 01-421 1212

Over-the-Counter Market

Table of over-the-counter market data with columns for High/Low, Company, Price Change, Gross Yield, P/E, and Fully Paid.

MAS 747 FIRST CLASS. LONG STRETCH ON A LONG STRETCH.

The MAS First Class 'Easy Sleeper' seats are designed to give you maximum comfort on the longest haul. You can stretch right out and sleep. MAS First Class. Comfort and luxury for those who are used to the best.



mas WELL TREAT YOU LIKE GOLD

UK REGIONAL REPORT

Unemployment and urban deprivation are at crisis levels and the region is desperately seeking assisted area status. Industrial and economic organisations have been joining forces to lobby Westminster for a decision.

West Midlands

Plea for opportunities

By Arthur Smith

A LEADING commercial figure in the West Midlands pauses over his port to reflect on the problems of high long-term unemployment. "This region has so many opportunities and so much going for it. But it's a question of whether the heavens will allow the harvest to enjoy it."

Casual though the comment might appear, it sums up the stark contrast of a region that once deservedly attracted all the now well-worn clichés: "Cradle of the Industrial Revolution," "workshop of the world," "Britain's industrial heartland." This speed and ferocity of the recession that has seen companies collapse, jobs axed by the thousand, and unemployment shoot upwards has been traumatic.

A deputisation of civic and industrial leaders from Birmingham was in Whitehall last week warning the Government that the city has "a problem of urban deprivation unparalleled in the country in both scale and intensity."

Unemployment among the 270,000 in Birmingham's inner area is already above 30 per cent — a point underlined by a recent study by the Confederation of British Industry which predicted that the jobless total was unlikely to alter over the next five years.

"There is every indication that unemployment will continue at the present very high levels. But it is something that needs to be done to get it down."

Jim Cran, director of the West Midlands office of the CBI, believes hope for the region lies in those very same small companies that created prosperity in the past. As a Scotsman he enthuses: "The thing that is different about the West Midlands is its vibrant small business sector. The entrepreneurs are here. They have flair."

The CBI, though traditionally the champion of big business, has led the campaign for assisted area status so that the region can compete all square for new investment with other parts of the country. And there is such a head of steam that there will be a crisis of expectations should the Government in its current review of regional policy not make significant concessions to the West Midlands office of the CBI.

Cling

The chambers of commerce as the voice of the small firms jumped only belatedly on the assistance bandwagon. They cling determinedly to the belief in free market forces — that the Government should roll back the subsidies to other parts of the country.

Indeed the case put forward by the West Midlands seems unanswerable: that the regional policies of governments throughout the boom years of the 1950s and 1960s siphoned off the new and growth companies to the development areas.

Hopes in the Midlands that the present Conservative administration would take a more radical view and reverse policy were dashed with the publication by Mr Norman Tebbit, Trade and Industry Secretary,

of a White Paper in which he made clear regional assistance was here to stay.

The fact that he singled out the West Midlands as having suffered from the large changes in the distribution of unemployment was taken as a clear pointer to Government thinking. The talking point in the region is not whether aid will be forthcoming but the area likely to be embraced and the level at which it will be pitched.

The best guess, and ministers insist there will be no announcement until the end of autumn (most likely December), is that most of the present West Midlands county will be included. Should there be a two-tier level of assistance, compared with the present three, the West Midlands will be on the minimum.

In the event of there being three scales, restricted areas might get preferential treatment — such as Telford, Wolverhampton, parts of Walsall and central Birmingham.

The advantage of assisted area status, even on the bottom rung, is that it will open the door to funds from the European Community and for selective finance under Section 7 of the Industry Act. Again and again the cry from the region is not for special advantages — merely the ability to compete on equal terms. There are complaints that the inability to offer pump-priming finance to companies from abroad means that projects slip away to assisted areas.

The issue has been raised forcibly by Mr Charles Darby, chairman of the West Midlands Industrial Development Association,



FOR THOSE who might question the credibility of Birmingham's ambitious plan to build a £120m convention centre to establish the city in a growing international business, there is a quick answer. The National Exhibition Centre (centre) a local initiative backed with £50m of funds by the city council, is already showing a handsome net profit.

Around the NEC, a greenfield site to the south of Birmingham and just off the motorway network, an important regional growth point is

developing. The Queen recently opened new £64m facilities to push expansion of Birmingham International Airport. Linking the airport to the NEC is the futuristic M42 — a pioneering elevated transit link which it is hoped will be sold worldwide.

Nearby, work is pressing ahead on a freepoint, one of the first handful of duty-free zones designated by the Government.

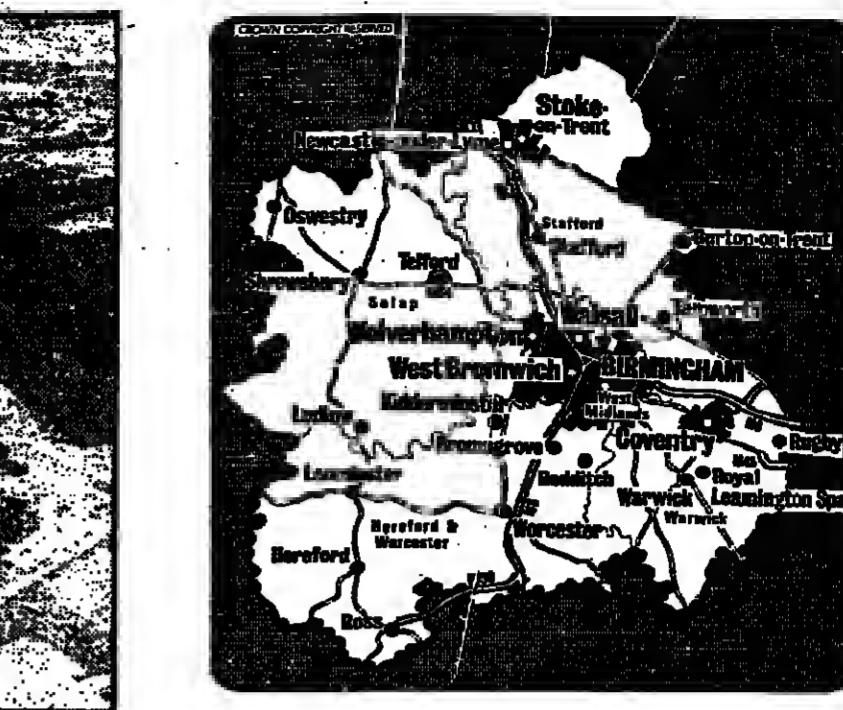
The NEC, which now boasts nine major halls and a total exhibition area of 105,000 square metres, has expanded by an extra 15,000 square metres since opening in 1976. About £2.5m has been spent on improvements just over the past two years.

Mr Terry Golding, the centre's chief executive, reports that the current year with 45 exhibitions will be one of the busiest and some 3m visitors are likely to be attracted.

He is also looking to future expansion. Birmingham city has acquired 100 acres of land to the north of the NEC and studies are

being carried out as to likely requirements over the next 15 years. "We already have exhibitions that are bursting at the seams. As we emerge from recession we shall be looking to meet a growing demand."

Initial studies suggest a convention centre could create nearly 2,000 jobs directly and generate revenue approaching £40m a year. It is against this background that the city council is seeking funds from the European Community for a project seen as urgent for the regeneration of the regional economy.



difficult to speak with one voice. The vacuum has been filled increasingly in recent months by the West Midlands Regional Economic Consortium — an ad hoc grouping of the five county councils, the regional TUC, chambers of commerce and CBI.

Chairman of the consortium and Deputy Leader of the West Midlands County Council is Mr David Sparks. He says: "For too long the other regions have run rings round us in putting forward their view in Whitehall and Westminster."

Mr Sparks has carefully cultivated the role of the consortium. "People should not have too high expectations. We have merely formed an additional lobby. We can exchange ideas and coordinate action but each of the constituent bodies is free to reach its own conclusions and take its own course."

But the consensus that has been established — and Mr Sparks though he speaks for a council with a Left-wing repu-

regional problems compiled by the Commission, ranks 21st out of 131 similar-sized European areas. All the regions above the county have national assisted area status as do six of the British and many of the foreign regions below.

The Government itself acknowledged the economic problems of the region in March last year when Mr John Butcher, the Parliamentary Under-Secretary at the Department of Trade and Industry, was dubbed "Minister for the West Midlands." His task was to head up "a team for innovation" to encourage local industry to introduce new technology.

The timing of the appointment just a few months before a widely predicted general election inevitably attracted cynical comment that the move was merely a public relations exercise. Mr Butcher, 18 months on, argues that it has been "a long hard slog" and insists that there has been a radical change in attitude: "Industrialists are out on the attack, becoming

more competitive and looking for markets rather than just moaning about the problems."

He maintains that the role of the innovation team — seven civil servants aided by an industrial adviser seconded from IRI — has changed. At the outset it was a question of marketing government assistance available under the various support for innovation schemes. The programme had been so successful that the regions had taken up more than its share of funds which are now restricted.

About the likely outcome of the Government review of regional policy and the continued need for a special minister for the region, Mr Buncher is understandably coy. He smiles without comment when told of the likely crisis of expectations should the assisted area status not be forthcoming: with such status a Minister would be irrelevant, without such status his position would be untenable.

Big vote of confidence



Q. Which of the following organisations is most concerned now about the development of the West Midlands area — the Government, the employers, the TUC, or the West Midlands County Council?

A. Emphatically, the West Midlands County Council!

It was far and away the most popular answer in a recent NOP* poll. West Midlanders of all ages, and of many different walks of life feel that the Council contributes more to the

*Quota sample West Midlands, July 1984, 23 sampling points.

region's future economic development than any other single group or body.

The big thumbs-up from the people comes at a time when the Council is more active than ever in its efforts to promote jobs in the region.

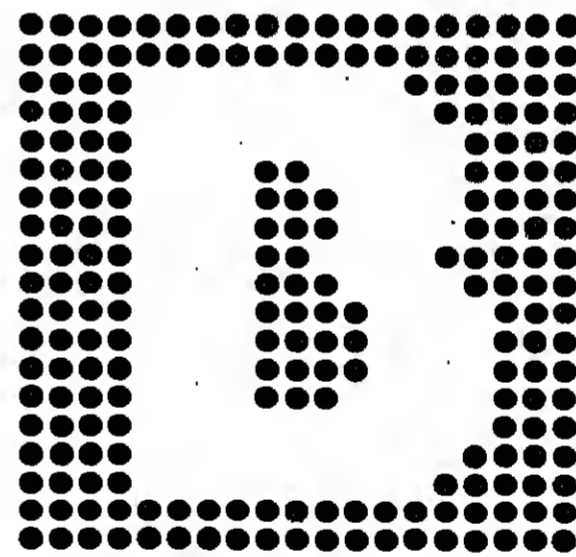
The West Midlands Campaign for Jobs is well underway, with a series of practical initiatives all directly geared to saving or creating jobs.

If you'd like to know more about the schemes which are part of the County Council's Campaign for Jobs, ring 021-300 6666.



West Midlands
County Council

The West Midlands Campaign for Jobs



BNP

Banque Nationale de Paris p.l.c.

Midlands Representative:

Mr. David Gibbons
Wellesley House, 37 Waterloo Street,
Birmingham B2 5TJ.
Telephone: (021) 236 9735

UK Head Office:

8-13 King William Street, London EC4P 4HS,
Telephone: 01-626 5678, Telex: 883412 BNP LNB
Knightsbridge: 01-581 0104 Berkeley Square: 01-493 9559
Manchester: 061-228 0611 Leeds: 0532-443633
Edinburgh: 031-226 6655

BNP Group Head Office: 16 Boulevard des Italiens, 75009 Paris

WEST MIDLANDS 3

Firms expanding and diversifying

Accountants

MR. GEORGE CARTER heads one of the few fast growth businesses in the Midlands...



George Carter: new clients

it now accounts for only around half of turnover, compared with 80 per cent a few years ago.

Eric Waterhouse, like many of the other big names in the profession, established its presence in the Midlands by merging with one of the long-established medium-sized Birmingham firms in the early 1960s.

This was part of the trend that saw the major manufacturing companies of the region turning to accountancy practices that could offer not only a wider range of services but also an international dimension.

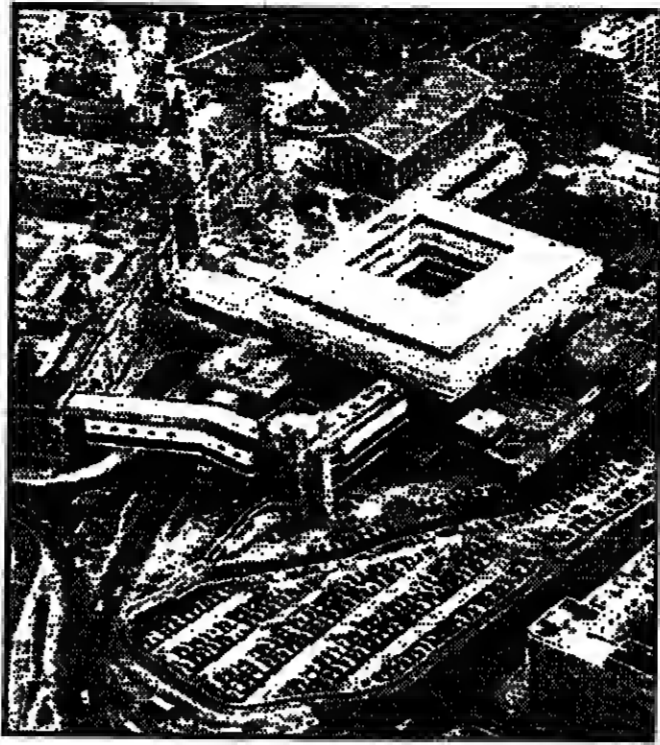
The onset of recession brought an inevitable upturn in insolvency business. But in the troubled West Midlands it demanded a new approach, Mr Carter says. "There is a need to be constructive, to seek to preserve business and create opportunities."

Another important role opened up with banks seeking the services of accountants like Eric Waterhouse to monitor the operations of troubled companies. "Very often management found itself unable to take decisions it knew were necessary. We could resolve the situation before it was necessary to call in the receiver."

Advise It is against this background that specialist services have been developed, whether to advise upon the complexity of taxation or the development of management, financial and cost control systems.

Mr Carter maintains that the West Midlands office, because of the spread of clients with which it deals, can offer a range of services as comprehensive as any of the firm's 19 UK offices, including London.

The fact the number of partners based in the Birmingham office has grown faster than the resources into the region. You cannot just sit back and wait for the growth to come."



Site of the new Paradise Circus development, Birmingham, currently undergoing major construction work, with the Central Library (centre). The expansion of accountancy firms has been a significant factor in the growth of the market for offices.

Eric Waterhouse, though an international practice, has recognised the importance of having senior people on the spot in the West Midlands, rather than travelling out from London. "We know the personalities and the companies at first hand," Mr Carter says.

The importance of the local contact is underlined by the decision to set up an office in Dudley in 1981 to serve the Black Country. Mr Carter explains: "Black Country people do not regard themselves as being part of the Birmingham conurbation. They are different and want to be treated as such."

The office, with four partners, has proved a success. "We are prepared to put the resources into the region. You cannot just sit back and wait for the growth to come."

Mr Carter sees the small business sector as significant not only for the region but also for his own practice. "We have to cast some bread upon the water. There are a range of companies who might be vulnerable and might not initially offer a lot in fees but their successful development must be encouraged."

Public image The problem for Price Waterhouse in attracting such business is its public image. Mr Carter says: "To be mean in the street, because we handle so many of the big clients, we are associated with the likes of ICI or Shell. One of our objectives here in the West Midlands is to persuade the small businessman we are just as interested in him."

Of the new companies coming through, Mr Carter says there is no fixed pattern but they tend to be related more to traditional manufacturing activities rather than high technology. Looking to likely growth over the next five years, he believes this trend will continue. "We are witnessing the reverse of what happened in the 1960s with a move towards smaller units through management buy-outs and the drive for greater efficiency. I think the West Midlands will continue to rely upon its traditional strengths."

From his office high up in one of the blocks in the commercial centre of Birmingham he can point to other buildings that house the firm's expanding local government advisory service and the computer where a special team is engaged on a two-year contract to write software programs for a client.

Indeed, an important factor in stimulating the office market, according to estate agents, has been the growth of the accountancy firms—and all the big ones have representation in Birmingham.

But the experience of Price Waterhouse alone—underlines the dramatic changes taking place in perhaps the most conservative of professions. There is the polarisation of firms, evident for more than a decade, with the medium-sized businesses being squeezed out at the expense of the giants and the local specialists. More recent is the growth in the range and sophistication of services.

Mr Carter points to the growing importance of tax advice,

small business guidance and general consultancy. From almost nothing a few years ago management consultancy has mushroomed to account for around 20 per cent of fee income and support three partners and 40 staff.

The disciplines embraced by the Birmingham office include not just accountancy but data processing, engineering personal, computer control and systems analysis.

The writing has been on the wall for some time that accountancy firms had to diversify in pursuit of growth. The traditional company audit business was in decline. Not only is there more competition with work increasingly put out to tender, but there are fewer client companies as the result of recession.

Eric Waterhouse claims to have picked up sufficient new clients to hold the audit business stable but concedes that

Initiatives to attract investment

The WMID

CHANTRY HOUSE, set in the rolling acres of Warwickshire, is a far cry from Major Ronald Sampson from the streets of Belfast where he had to brief journalists on the latest troubles in the province. "But 10 years on he conducts

the interview with military precision. There is the large map on the wall of the vast area covered by the West Midlands Industrial Development Association—a unique private sector initiative to bring investment and new industry to a troubled region.

He took up his post as chief executive on January 1 this year. "Short, snappy, 47 year old and as immaculately groomed as one would expect from a man from the Royal Signals, he talks crisply of the strategy and

targets of the marketing campaign. But there is a softness in his speech and a warmth in his approach that indicates he knows it takes more than facts and figures to sell a location to prospective employers. He never gives a hint the time has been wasted. "While in principle Midlands manufacturers might be opposed to government assistance offered through regional policy, they were looking out to other parts of the country."

The association does not have a political role. The Department of Industry, while it was prepared to put up one third of the £300,000 a year suggested costs, did not want to be seen to be backing the sort of lobby that other regions had managed to articulate for themselves—the sort of demands that might prove embarrassing.

Mr Sampson's role, accordingly, is strictly limited. His attention is focused primarily upon inward investment from overseas. He must work closely with the Invest in Britain bureau which claims a worldwide network of diplomatic and trade channels.

held similar positions attracting industry first to South Yorkshire and then the Grampian region of Scotland, says the West Midlands is easy to sell: "It's at the centre—you can reach more than 60 per cent of the nation's people within a day's drive."

"Remote areas have to concentrate on high-technology high added value products. Here, because all the markets are so close, you can manufacture no-tech and still make a profit. All the skills are in the region. There's nothing worth making that isn't made in the Midlands."

Generous

Though Mr Sampson heads only a handful of staff, he says generous resources are also being made available by local authorities, banks, accountants, the chambers of commerce and the CBI. "We really are getting unstinting support and co-operation. Everyone knows there is an important job to be done."

He cites the example of the chairman of one large company in the region who flew out to the U.S. twice at his own expense to speak to an American company interested in location in the West Midlands.

Mr Sampson has identified a limited number of target areas in which personal contact with companies is being developed: the Midwest states, in America, because their industrial structure is similar to that of the Midlands; the Far East; and the industrial areas of southern Europe.

In the U.S. the association has opened an office in Chicago and appointed a director, Mr Ian Gray, who has already spent six years in the Mid-west and has developed good local contacts.

Mr Gray argues that because the U.S. seems to have come out of its recession in the UK it is in an expansionist mood: "I am sure we can persuade a significant number of companies to base their UK and European expansion programmes in the West Midlands."

West Midlands County Council already has an office in Tokyo where its representative, Shinichi Yoda, will act also for the association. Birmingham City Council is putting a representative in Hong Kong who the association will share.

The drive in Europe is being handled from Coleshill. Mr Sampson says the association will take part in a Birmingham Chamber of Commerce visit to Milan this month both to reinforce contacts and produce a schedule of events for the industrial areas of Italy, Switzerland and Bavaria.

Mr Sampson is clearly relishing the role of the association. He says the fact industry took the initiative in forming the body offers a big advantage over other agencies often dominated by local authority interests. "I can bring industrialists straight into the local board rooms to talk to the people with the answers. We don't have to waste time shaking hands with bureaucrats with chains of gold hung round their necks."

Newcomers

The association is widely acknowledged to have made a good start. Its first success has been notched up with the decision by U.S. vacuum cleaner manufacturer, Kirby of Cleveland, Ohio, to use the West Midlands for its UK and European headquarters. Many more prospective newcomers are in the pipeline. Mr Sampson reports.

Mr Norman Tabbitt, Secretary for Trade and Industry, is known to be watching with interest the progress of the association which it is thought could form a pattern to be copied elsewhere in the UK. Though the Government chips in one third of the cost, the balance is shared equally between contributions from individual companies and local authorities in the region.

But is not £300,000 a miserly budget on which to sell the whole of the West Midlands? Mr Sampson laughs: "It is no use just throwing money at the problem. You have to identify a target and personal contact is a lot more valuable than just advertising."

He points out that it is for other bodies in the region such as development corporations and local authorities to do their own advertising. "More than £2m a year is already spent to promote various parts of the region."

Mr Sampson, who previously

Advertisement for West Midlands Enterprise Limited, a new and important source of local finance for developing companies in the West Midlands. Includes contact details for Mr Carter at 021-236 8855.

Advertisement for a Financial Times Survey on Property in the Midlands, dated November 23 1984. Includes details of the survey's scope and contact information for Anthony Hayes at 021-454 0922.

Large advertisement for Birmingham featuring the headline 'The new Birmingham where good connections attract business.' Includes logos for Aston Rover, Castrol, IMI, and Horizon, and contact information for Birmingham City Council.

Advertisement for Holford, featuring a large image of the industrial estate and text describing it as 'Britain's finest industrial estate' with a park-like setting. Includes contact details for Richard Ellis.

DOWTY ELECTRONICS tomorrow's technology today Tel: 01 992 3434 Telex: 264487

Balfour Beatty for Refurbishment EB 01-686 8700

Peter Montagnon examines Latin America's new problem borrower

Peru's debts appear intractable

THE FLURRY of good news on Latin America's debts at last week's International Monetary Fund annual meeting masked the fact that efforts to resolve the difficulties of one large borrower have now come haphazardly.

the banks now thought to exceed \$100m. Until now, Peru has argued that its central bank would have to lend state-sector borrowers the domestic currency needed to buy the foreign exchange required to pay such interest.

THE LEX COLUMN W. German bonds on their marks

The most remarkable aspect of the dollar's rise last month was surely its failure to dampen the market in D-Mark bonds. While the tide seemed to be running all the dollar's way on the foreign exchanges, so that yields on domestic West German bonds should by rights have been rising to offset currency losses, the yield on ten-year paper was actually dropping towards an unlikely 7.5 per cent.

To value the equity on either an earnings or a yield basis is no easy matter. But assuming the complete elimination of the banking group, a higher interest charge to offset the absence of last year's jewellery losses, the conversion of Charter's preference stock and a flat performance from the rump of the group.

Racal increases bid for Chubb

BY CHARLES BATCHELOR IN LONDON RACAL ELECTRONICS, the British communications and defence technology group, yesterday increased the value of its bid for Chubb & Son, the UK-based security company, by £3m to £179m (\$222m) in a final effort to win over Chubb's reluctant shareholders.

Rescue lifts Peking stake in coal venture

BY WILLIAM HALL IN NEW YORK THE BANK of China has come to the rescue of Occidental Petroleum's troubled \$600m coal mining venture in Shanxi province and has agreed to step in as an equity partner, replacing Occidental's partner, Peter Kiewit Sons, which has withdrawn from the project.

U.S. group may help Nicholas Kiwi to repel bids

By Terry Povey in London CONSOLIDATED FOODS of the U.S. appeared yesterday to be coming forward as a "white knight" to protect Nicholas Kiwi of Australia from a pair of unwelcome takeover bids, including one of £228m (\$282m) from Reckitt & Colman of the UK.

Johnson Matthey

The Johnson Matthey which arrived on the Stock Exchange floor yesterday morning was a thoroughly different proposition, both in size and character, from the investment which had been cheerfully traded last week.

EEC sidesteps deadlock over funding

Continued from Page 1 year - before reaching the agreed level of 1.4 per cent in 1988. This would have allowed room for Britain's Ecu 1bn reduction in payments next year.

Johnson Matthey rescue

Continued from Page 1 bank supervisors from around the world found itself split, at least on the second point. Sig Carlo Ciampi, governor of the Bank of Italy and host of the occasion, said that bank supervisors were allowing themselves to be frightened into rescuing banks when a failure or two might make them try that bit harder.

Sony launches portable compact disc

Continued from Page 1 a portable until next year at the earliest. Sony was the first company to launch a "personal stereo" with the miniature Walkman cassette player which, to the industry's surprise, was a runaway success. Practically every consumer electronics company now has its own version of the Walkman.

WHAT DO KIMBERLY-CLARK KNOW ABOUT POLYMER TECHNOLOGY? At their mill in Flint, Kimberly-Clark apply Polymer Technology to produce Kimcel cloths (industrial wipes) from a specified and researched blend of pulp and polypropylene giving both strength and high absorbency.

Table with columns for various markets and indices, including Dow Jones, Nikkei, and others.

Kinnock condemns violence

Continued from Page 1 tions of conflict; of speaking the language of conflict." Mr Kinnock asserted that the dispute was continuing because of the Prime Minister's "political vanity on a manic scale."

Clwyd condemns violence

Continued from Page 1 er, whom he said had double standards and had a "selective and blinkered view of conflict." The Prime Minister, he claimed, was delighting in turmoil.

Published by The Financial Times (Europe) Ltd. Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurturischer Satz-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1984.

Handwritten note in Arabic script at the bottom of the page.

INTL. COMPANIES and FINANCE

Learning how British industry buys could make all the difference to how well you sell.

Every sales and marketing executive needs to know who within manufacturing industry are the key people who decide which products are to be bought - and how the suppliers are selected.

These are people it's vital to reach, through advertising and direct contact.

But how can you pin down precisely who they are, particularly when the decision-making chain may involve several stages? Who does the salesman actually get to see?

"How British Industry Buys" provides the answers.

Updated and expanded for 1984, this essential piece of research contains in-depth data on decision-making processes, collected from a large number of firms in different industries and covering specific product categories.

The product groups covered by the research are plant and equipment, materials, component parts, company cars, commercial vehicles and trailers, office equipment and microcomputers, mainframe and minicomputers.

This research is being stored on computer, so that special analysis can be conducted for specific industries, product categories, or for particular stages in the decision-making process.

Make sure your next sales drive is better informed and accurately targeted. Order your copies of the new "How British Industry Buys" without delay.

Request form for "How British Industry Buys" including fields for name, company, position, and address.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

Pick 'n Pay reduces margins to boost sales

By Jim Jones in Johannesburg

PICK 'N PAY, the South African supermarket chain, continued its strategy of cutting margins to gain sales turnover in the six months to August. First-half turnover increased by 21.4 per cent to R945.4m (\$503m) from R896.2m but trading income before tax rose by only 14.7 per cent to R222m from R193m. In the full year to February 1984, turnover was R1.5bn and trading profit R50.1m.

Mr Raymond Ackerman, the chairman, says that competition for business necessitated heavy promotional expenditure and discounting and that the prices of bread and milk in particular were reduced. In addition Pick 'n Pay has started to feel the effects of austerity measures aimed at cutting consumer spending.

During the six months Pick 'n Pay opened three new stores and entered the garage trade by opening two outlets. Plans to open Australia's first hypermarket are on schedule but Mr Ackerman warns that the foreign venture is unlikely to generate large returns for at least a couple of years.

First-half earnings increased to 60.9 cents a share from 57.1 cents and the interim dividend has been raised to 19 cents a share from 16.5 cents. For the year to February earnings came to 180.6 cents a share from which a dividend total of 72 cents was paid.

Wheelock Marden hit by shipping subsidiary losses

BY OUR FINANCIAL STAFF

WHEELLOCK MARDEN and Co, the Hong Kong trading, property and shipping group, has reported sharply lower first-half net profits for 1984. Net profits before extraordinary items were down to HK\$2.48m (US\$6.72m) from HK\$101.17m for the first half of 1983. Worsening the position further was a net extraordinary loss of HK\$129.16m which compares with an extraordinary gain of HK\$8.26m previously.

According to Mr John Marden, the group's chairman, the growing loss at Wheelock Maritime International, the shipping subsidiary, plus "reduced profits from our real estate subsidiaries," caused the losses.

Wheelock Maritime has separately reported a net loss before extraordinary items of HK\$64.4m compared with a loss of HK\$14.9m at the interim point last year. An extraordinary loss of HK\$18.6m was also announced against a gain of HK\$14.5m last year.

According to Mr Marden, the shipping unit is unlikely to pay a dividend for 1984 despite some reduction in its debts and other commitments. Debts had been reduced by about HK\$550m and commitments by HK\$470m through the sale of vessels, he added.

Continuing losses at Wheelock Maritime have necessitated a provision of HK\$93.39m. Last year Wheelock Marden made an US\$4m secured standby facility available to its maritime unit. A further provision of HK\$36.77m has been made with regard to the group's investment in International City Holdings, which itself has recently made provisions to take into account a general fall in property values.

Despite the setback, the parent is to pay an unchanged interim dividend of 12 cents on A shares and 12 cents on B shares, from earnings per share of 15.5 cents (29.9 cents previously) and 1.6 cents (3 cents previously) respectively.

Dunlop Olympic in bid for rest of NZ unit

By Dal Hayward in Wellington

AFTER SPENDING NZ\$57m (US\$32.5m) in two weeks to expand its New Zealand holdings, the Australian based Dunlop Olympic has made a bid for the 48.3 per cent of Dunlop New Zealand it does not already own. Only a week ago Olympic bought the 51.7 per cent of Dunlop NZ formerly held by Dunlop Holdings of the UK.

Olympic has moved fast to take advantage of the New Zealand devaluation and the trans-Tasman trade opportunities available under the Closer Economic Relationship agreement between Australia and New Zealand.

If its offer for Dunlop NZ is approved by the Reserve Bank of New Zealand, Olympic plans to reorganise production in its Australian and New Zealand factories. New Zealand plants would concentrate on producing selected tyre sizes and styles for both the New Zealand and Australian markets. The Australian factories would increase production of other lines to supply New Zealand.

Olympic has offered Dunlop NZ shareholders a straight cash deal of NZ\$4.64 per share, the same price it paid Dunlop Holdings for its 51.7 per cent stake, or one Olympic share plus NZ\$1.90 in cash per share, or seven Olympic shares plus 10 cents cash for four Dunlop NZ shares.

The share plus cash offer puts a value of NZ\$450m on Dunlop NZ.

United Motor Works in the red

BY WONG SULONG IN KUALA LUMPUR

UNITED MOTOR WORKS, the major Malaysian heavy equipment and car distributor, has plunged into the red for the first time in 14 years, following three years of stiff competition and heavy stocks in a contracting market.

For the six months to June, the group incurred an after-tax loss of 9m ringgit (US\$3.8m) compared with a profit of 5m ringgit, in last year's first half. Turnover fell from 600m ringgit to 545m ringgit.

UMW said, conditions in the heavy equipment market were "poor." Heavy rains in East

Malaysia had brought logging to a virtual standstill for three months. The heavy equipment division, which distributes Komatsu and Toyota machines, suffered a pre-tax loss of 10.5m ringgit compared with a profit of 9.2m ringgit.

The Sejati subsidiary, which distributes Toyota cars, increased turnover by 9 per cent to 341m ringgit, and lifted pre-tax profits to 7.9m ringgit from 1.7m ringgit. However, the bulk of the increase came from higher productivity. Sales margins were eroded by stiff competition in the market, which is

fighting to sell as many cars as possible before the introduction of a made-in-Malaysia car next October.

UMW said second-half prospects are not promising. There is no sign of recovery in the logging industry, but some profits will come from the recent acquisition of a franchise for the full range of Toyota commercial vehicles.

The group suffered a loss of 6.3 cents per share in the six months compared with earnings of 3.5 cents. There is no interim dividend this time compared with 5 cents last time.

Good results from most Hong Leong companies

BY OUR KUALA LUMPUR CORRESPONDENT

GOOD RESULTS have been posted by three of the four publicly listed companies belonging to the Hong Leong group in Malaysia, for the year ended June.

Pre-tax profit at Hong Leong Credit rose by 120 per cent to 35.5m ringgit (US\$15m) on turnover up 96 per cent to 115m ringgit. Profit after tax and minority interests was 13.1m ringgit, an increase of 126 per cent.

At Home Industries, which manufactures asbestos-based pipes and construction materials, pre-tax profit was 28 per cent higher at 38.4m ringgit, with turnover rising 33 per cent to 225m ringgit. Profit after tax and minority interests was 21.1m ringgit, an increase of 30 per cent.

Equally good results were recorded at Malaysian Pacific Industries, where pre-tax earnings rose 90 per cent to 7.8m ringgit on turnover 126 per cent higher at 55m ringgit. Profit after tax and minorities was up 80 per cent at 4.6m ringgit.

Results at Hong Leong Industries, however, were subdued. Pre-tax earnings were little changed at 42.2m ringgit, with turnover improving by only 7 per cent to 348m ringgit. Profit after tax and minorities was 4.5 per cent higher at 18.1m ringgit.

Final dividends are 10 cents for Hong Leong Credit, 9 cents for Home Industries, and 4.5 cents each for Malaysian Pacific Industries and Hong Leong Industries, making unchanged totals of 10 cents, 15 cents, 7.5 cents, and 7.5 cents respectively for the year.

Merck takes control of Banyu

TOKYO—Banyu Pharmaceutical, Japan's 11th largest drugs company in terms of sales, said yesterday that Merck and Company of the U.S. has acquired a controlling 50.02 per cent equity share by converting \$17m worth of convertible bonds into about 44m ordinary shares.

In August 1983, Banyu allocated the U.S. company the dollar-denominated convertibles, for conversion to common stock between July 1, 1984 and September 25, 1988.

Banyu, capitalised at ¥30.07bn (\$122m), is the first major Japanese drugs concern in which a foreign company has acquired a majority interest.

Shin Etsu Chemical, the Japanese chemicals and electronics materials company, has announced group profits of ¥14.36bn for the year to May 31, up strongly from last year's ¥8.21bn.

Pre-tax profits almost doubled to ¥31.44bn on sales of ¥233bn, up 33.7 per cent from ¥261bn. The company is benefiting from strong demand for its silicon wafers which are used in the manufacture of semi-conductors.

Raine advertisement featuring a table of financial data comparing 1984 and 1983 performance across various sectors like housebuilding, heavy engineering, and dividends.

United Bancorp of Arizona advertisement for 550,000 shares of common stock, including contact information for Fox-Pitt, Kelton N.V.

IBM Credit Corporation advertisement for \$200,000,000 of 11 3/4% notes due October 1, 1987, listing various international banks as agents.

Sime Darby notice of meeting for the Sixth Annual General Meeting, detailing the agenda and contact information for the Secretary.

Handwritten signature or stamp at the bottom center of the page.

INTL. COMPANIES and FINANCE

A white-haired and ebullient intellectual bucks the Italian publishing trend

BY ALAN FRIEDMAN IN MILAN

THESE ARE NOT easy times for Italy's major publishing empires. The famed Rizzoli group is in court-appointed receivership, its Corriere Della Sera newspaper is expected to be sold any day.

The Mondadori publishing group, although itself in profit, recently turned over control of its loss-making Rete Quattro television network to Sig Silvio Berlusconi, a Milanese businessman and television mogul.

Italy's most intellectually respected publisher—the Einaudi group—is in receivership. But a few yards away from Milan's central railway station, from his comfortable book-lined office, a 68-year-old former resistance fighter and literary critic sits masterminding a major marketing drive in the world of Italian publishing which thus far has bucked the trend of the industry.

Sig Edilio Rusconi, an ebullient white-haired intellectual with a constant twinkle in his eye, is successful. He already has a modest empire comprising 23 magazines ranging from Gente, a weekly illustrated news magazine which sells 1m copies a week, to specialist magazines in such diverse fields as motor-



Sig Edilio Rusconi: "I love publishing books. I like to have fun"

armchair, chatting at length about Ezra Pound, Hemingway, Joyce and the Paris of the 1930s. B.J. what he really craves, it would seem, is even more success and recognition than he has already earned.

In the first eight months of this year, Sig Rusconi has been busy. In January he had the satisfaction of paying L6bn to take control of three of the troubled Rizzoli group's top-market fashion magazines, Mondo Uomo, Donna and Donna and Bambini. It must have been especially satisfying since Sig Rusconi was, before he founded his publishing house in 1957, a senior Rizzoli magazine editor.

Then in May, with a sophisticated advertising campaign featuring ultra-reddish tips devouring an ultra-red cherry, Sig Rusconi launched the up-market Il Piacere (or "Pleasure") monthly magazine, aimed at connoisseurs of wine, jet-setting and art.

A month later, in June, the Rusconi group signed a joint venture magazine publishing agreement with Hachette of France. The idea is to build upon Rusconi's French-language periodicals and to develop and further publications in France and Italy.

Then, in August, while most of Italian commercial and political life had come grinding to an August halt, Sig Rusconi moved out beyond books and magazines and bought himself a newspaper, the widely-read northern Italy afternoon daily, La Notte. Not even Sig Rusconi would claim that purchasing the loss-making La Notte, the 100,000 readers of which can daily savour the latest crimes and scandals, was anything to do with things intellectual. But he calls the purchase of the Milan-based daily, which last year lost L 6.3bn and which can reasonably be expected to lose money into next year, "a challenge".

This year he expects the turnover of Rusconi Editore, the parent company, to grow by 34 per cent to L214bn (\$115m) and, best of all, he has managed to stay in the black.

But there is an ambitious streak in this seemingly quiet intellectual. He is happy to sit back in a comfortable leather

group net profits of around L1.5bn to L2bn a year say nothing about the real level of earnings, which are probably closer to L5bn. But Sig Rusconi believes in ploughing the bulk of earnings into new ventures, although he insists that if a magazine loses money, "We will kill it immediately."

Only book publishing is allowed to lose money. "Someone has to publish books. Someone has to spread literature." And then, with a modest grin, the former resistance fighter, literary critic and novelist confides: "I love publishing books. I like to have fun."

Translations of Yeats, Aristotle, Kant and Hume

ing, jazz, science, knitting, fashion and interior decorating. Sig Rusconi publishes three magazines in France, prides himself on his company's translations of Yeats, Aristotle, Kant, Hume and Locke, and operates subsidiary companies in wholesale distribution, data systems and audiovisual equipment.

Then in August, while most of Italian commercial and political life had come grinding to an August halt, Sig Rusconi moved out beyond books and magazines and bought himself a newspaper, the widely-read northern Italy afternoon daily, La Notte. Not even Sig Rusconi would claim that purchasing the loss-making La Notte, the 100,000 readers of which can daily savour the latest crimes and scandals, was anything to do with things intellectual. But he calls the purchase of the Milan-based daily, which last year lost L 6.3bn and which can reasonably be expected to lose money into next year, "a challenge".

But there is an ambitious streak in this seemingly quiet intellectual. He is happy to sit back in a comfortable leather

Moved in August and bought a newspaper

are tired of hearing about the economy, of war, of mines in the gulf of Suez. The idea of Il Piacere is to remind people that life can also be beautiful," recalls Sig Rusconi.

The idea for Il Piacere however, did not come from market research. It came from the thinking of Sig Rusconi and his son, Alberto. And with a staff of just 15 writers and editors, and the help of Milan's Rizzo advertising agency, the launch went ahead in May. The total cost of starting the glossy Il Piacere was L2bn (\$1.1m), of which L900m was spent on publicity on billboards, on television and in the print media.

All of these Securities have been sold. This announcement appears as a matter of record only.

Cadbury Schweppes p.l.c.

6,000,000 American Depositary Shares

Representing

60,000,000 Ordinary Shares

MORGAN STANLEY & CO.
Incorporated

LEHMAN BROTHERS
Shearman Lehman American Express Inc.

KLEINWORT, BENSON
Incorporated

BEAR, STEARNS & CO.

THE FIRST BOSTON CORPORATION

ALEX. BROWN & SONS
Incorporated

DILLON, READ & CO. INC.

DONALDSON, LUFKIN & JENRETTE
Securities Corporation

DREXEL BURNHAM LAMBERT
Incorporated

GOLDMAN, SACHS & CO.

HAMBRECHT & QUIST
Incorporated

HOARE GOVETT LTD.

E. F. HUTTON & COMPANY INC.

KIDDER, PEABODY & CO.
Incorporated

LAZARD FRERES & CO.

MERRILL LYNCH CAPITAL MARKETS

SAMUEL MONTAGU & CO.
Limited

PAINWEBBER
Incorporated

PRUDENTIAL-BACHE
Securities

ROBERTSON, COLMAN & STEPHENS

L. F. ROTHSCHILD, UNTERBERG, TOWBIN

SALOMON BROTHERS INC

SMITH BARNEY, HARRIS UPHAM & CO.

WERTHEIM & CO., INC. DEAN WITTER REYNOLDS INC.

ABD SECURITIES CORPORATION

DAIWA SECURITIES AMERICA INC.

EUROPARTNERS SECURITIES CORPORATION

ROBERT FLEMING
Incorporated

THE NIKKO SECURITIES CO.
International, Inc.

NOMURA SECURITIES INTERNATIONAL, INC.

ROTHSCHILD INC.

SWISS BANK CORPORATION INTERNATIONAL
Securities Inc.

YAMAICHI INTERNATIONAL (AMERICA), INC.

September 19, 1984

This announcement appears as a matter of record only

Bowater Industries PLC

£205,000,000

The following Stand-by Facilities were arranged in connection with the demerger of Bowater Corporation PLC's North American Operations

£77,000,000

Medium Term Stand-by Facility

Provided by **Lloyds Bank Plc**
Barclays Bank PLC
National Westminster Bank PLC
Midland Bank plc

Agent Bank **Lloyds Bank International Limited**

£128,000,000

Short Term Stand-by Facility

Provided by **Lloyds Bank Plc**

Arranged by **Lloyds Bank**

This announcement appears as a matter of record only



Centrale Nucléaire Européenne à Neutrons Rapides S.A.

£35,000,000

Medium Term Loan

Guaranteed by **Electricité de France**
Ente Nazionale per l'Energia Elettrica (ENEL)
Schnellbruter-Kernkraftwerksgesellschaft mbH

Arranged by **Banque Indosuez**
Lloyds Bank International Limited

Managed and Provided by **Banque Indosuez**
Lloyds Bank International Limited
Arab Banking Corporation (ABC)
The Bank of Tokyo, Ltd.
Banque Nationale de Paris plc
Kreditbank International Group
National Australia Bank
Samuel Montagu & Co. Limited
Société Générale (London Branch)
The Dai-ichi Kangyo Bank, Limited
The Fuji Bank, Limited
Kansallis-Osake-Pankki
The Sumitomo Trust and Banking Co. Limited
The Kyowa Bank, Ltd.

Agent Bank **Lloyds Bank International**

S. R. Gent gains from lower interest

S.R. Gent reaped the benefits of lower interest charges over the 52 weeks ended June 1984 and saw its pre-tax profits rise for the period by almost 50%.

The fall in operating margins from 8.25 per cent to 7.7 per cent supports the general belief that the big daddy of the High Street is squeezing his suppliers more than ever.

Cecil Gee looking for further U.S. expansion

IN THE seasonably unfavourable first half trading period Cecil Gee, a USM quoted menswear retailer, pushed taxable profits up by 83 per cent from £294,000 to £532,000.

Strong & Fisher upholds recovery and pays dividend

A STRONG recovery in full year profits and a return to the dividend list have been announced by Strong & Fisher (Holdings), a clothing and fashion leather manufacturer.

Finance costs and leisure slump hit Riley

DIFFICULT TRADING conditions—especially in the leisure industries division—and a sharp increase in interest charges have resulted in a "very disappointing result" at the midway stage for Riley Leisure, manufacturer of billiards tables, snooker club equipment, and snooker and supplier of fine equipment.

table-it takes a hold man to gamble on the leisure tastes of the consumer. Riley's gamble with Leisure Industries has failed in a big way. The company cannot say yet how demand will shape up in the Christmas period.

Clifford's Dairies 19% lower

A REDUCTION in milk margins from March 1 and a wage award taking effect the following month have been significant factors in a difficult first half for Clifford's Dairies.

Raine Inds. setback from miners' strike

Despite record profits from housebuilding, profits for the year to the end of June at Raine Industries have been hit by the miners' strike, the National Coal Board being a major customer for the engineering side.

Placing for A & P Appledore

A & P Appledore is coming to the USM market by way of a placing of 1.4m shares, equal to 46.7 per cent of the issued ordinary share capital.

Bridgend back in the black with £10,000

For the first time in many years Bridgend Processes has moved into surplus as security business turnover continued to grow in the first six months of 1984.

USM flotation for Addison

THE LATEST design and public relations consultancy to seek a public flotation is Addison Communications which comes to the USM by way of a placing of £2.5m.

SR GENT PLC RESULTS CONTINUE TO ADVANCE. Table showing financial performance for 1984 and 1983. Turnover: 79,591 (1984) vs 70,196 (1983), up 13.4%. Profit before Taxation: 6,115 vs 5,184, up 18.0%. Earnings per Share: Net Basis 14.7p vs 14.6p, up 0.7%.

W. Tod beats forecast and has record orders

W. J. Tod, the subsidiary of C. H. Beazer which was floated on the USM in March, achieved full year taxable profits of £565,000, compared with £375,000 last year and a prospectus forecast of at least £540,000.

Paint division lifts Leyland

DESPITE DIFFICULT trading conditions in its main markets, Leyland Paint and Wallpaper has returned to profitability in the first six months of 1984.

Aggregates help Amey rise 18%

Amey Roadways (ARC) the construction materials subsidiary of the Gold Fields group, has reported record profits up by 18 per cent to £55.2m on increased turnover of £595.2m for the financial year to June 30 1984.

Logica shareholders raise £11m

SHAREHOLDERS in Logica, the UK's largest independent software company, have raised £10.9m, excluding expenses, from a placing of 2.9m shares.

DIVIDENDS ANNOUNCED. Table listing dividends for various companies including A & C Black, Clifford's Dairies, Comfort Hotels, S. R. Gent, Godwin Warren, Ingall Inds., Laing Props., Albert Martin, North Brit Canadian, Michael Peters, Phillips Patents, Raine Inds., Riley, and W. J. Tod.

UK COMPANY NEWS

Comfort nearly doubled halfway and 'confident'

Comfort Hotels International has almost doubled its pre-tax profits during the 23 weeks ended July 15, 1984.

Profits climb 64% at M. Peters

A FURTHER record year, with significant increases in turnover and profit, has been achieved by Michael Peters Group.

Improvement at Albert Martin

PRE-TAX profits of Nottingham-based clothing manufacturer, Albert Martin, have increased from £235,000 to £417,000 in the first half of 1984.

COMPANY NEWS IN BRIEF

Associated Dairies Group has paid £11.55 in compensation to Mr. J. D. Fletcher who resigned from the board in May.

well advanced which should lead to further expansion of the company's hotel interests.

Unilever gets OFT green light for Brooke Bond bid

THE MARKET price of Brooke Bond shares mitigated against further purchases by Unilever, a major international food manufacturing company.

Belgrave expands property side

Belgrave Holdings, the West Midlands engineering and property group headed by Mr Abdul Samad, the Ugandan Asian businessman, is buying four London hotels.

Olsen has 17.5% Nimslo stake

FRED OLSEN, a Norwegian shipping group, has effectively bought out the remaining Nimslo International shareholding of Dr Jerry Nims, the joint founder of the 3-D camera group.

BIDS AND DEALS

Unilever gets OFT green light for Brooke Bond bid

Unilever has received confirmation from the Office of Fair Trading (OFT) that the proposed £35m merger will not be referred to the Monopolies Commission.

Belgrave expands property side

Belgrave Holdings, the West Midlands engineering and property group headed by Mr Abdul Samad, the Ugandan Asian businessman, is buying four London hotels.

Olsen has 17.5% Nimslo stake

FRED OLSEN, a Norwegian shipping group, has effectively bought out the remaining Nimslo International shareholding of Dr Jerry Nims, the joint founder of the 3-D camera group.

BIDS AND DEALS IN BRIEF

Triplex has sold its Midland Mechanical Developments subsidiary to the E.L.F. Group.

MINING NEWS

ZCCM on Zambian need to diversify from copper mining

NO MINES last for ever and Mr Francis Kaunda, chairman of Zambia Consolidated Copper Mines (ZCCM), points out in the annual report that the economic life of some of Zambia's copper mines is limited.

Dealings suspended in Messina shares

TRADING was suspended in Johannesburg and London yesterday in shares of Messina, the South African copper mining and industrial group.

Good second six months lifts Ingall to £0.84m

An advance of some £100,000 over the second six months enabled Ingall Industries to lift its pre-tax profits for the full year to end-June from £698,000 to £842,000.

BOARD MEETINGS

Table listing board meetings for various companies including Bilton (Percy), Campari International, and others.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

ADDISON COMMUNICATIONS PLC

Placing by Phillips & Drew of 1,150,000 Ordinary Shares of 2p each at 116p per share payable in full on application

Table showing authorized share capital of £135,000 and issued share capital of £108,000.

Addison Communications PLC is one of the UK's leading corporate communications consultancies.

Particulars relating to the Company are available in the Exact Unlisted Securities Market Service and copies of such particulars may be obtained during normal working hours.

ADDISON DESIGN COMPANY LIMITED, PHILLIPS & DREW, ADDISON FINANCIAL STRATEGY LIMITED.

HARSANT STEWARD LTD ACTUARIES AND PENSION CONSULTANTS. Establishment, management and advice on pension schemes for all sizes of companies, and computerised pensions management systems on IBM PC hardware.

LADBROKE INDEX Based on FT Index 854-858 (+5) Tel: 01-427 4411

British Syphon Industries has sold its subsidiary, Guion & King, general printer in Sheffield, to Mr J. J. Daly, the offshoot's managing director, for £135,000 in cash.



SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Wednesday October 3 1984

NEW YORK STOCK EXCHANGE 30-32 AMERICAN STOCK EXCHANGE 31-32 U.S. OVER-THE-COUNTER 32, 40 WORLD STOCK MARKETS 32 LONDON STOCK EXCHANGE 33-35 UNIT TRUSTS 36-37 COMMODITIES 38 CURRENCIES 39 INTERNATIONAL CAPITAL MARKETS 40

WALL STREET

Funding puts optimism in shade

A MORE confident mood emerged on Wall Street yesterday although the looming shadow of the U.S. Treasury's heavy funding programme kept trading subdued in both fixed-interest and stock markets, writes Terry Byland in New York. The stock market pushed upwards through the Dow 1200 mark convincingly in the first hour. Support soon waned, however, and early gains were trimmed. At the close the Dow Jones industrial average was down 7.82 at 1,191.36. In the credit markets, the Federal Reserve checked a fresh rise in the Federal funds rate with the announcement of \$1bn in customer repurchase arrangements with the rate touched 11 1/2 per cent. But pressures inside the stock market were reflected in an increase by U.S. Trust in its broker loan rate from 11 1/2 per cent to 12 per cent. Meanwhile, the overwhelming vote in the House of Representatives for the increase in the Federal debt ceiling brought into closer focus the \$40bn Treasury funding now overhanging the debt markets. Stock market analysts are cautious while waiting for U.S. business corpora-

tions' third-quarter trading results. The slower economic pace is expected to manifest itself next week when the corporate reporting season begins. Yesterday brought the disclosure that sales of single family dwellings fell by 8.1 per cent in August. However, Kaufman Broad, the leading housebuilder, turned in higher profits for the third quarter, putting the stock 5/8 ahead at \$14 1/4, but it also warned of some disappointment ahead. Most of the market leaders chalked up modest gains, IBM at \$123 1/4 added 5/8, while AT&T at \$19 1/4 was 1/4 better. Atlantic Richfield advanced 5/8 to \$52, and Exxon 5/8 to \$45 1/4. Ford hoping for progress at negotiations with the auto workers union, added 5/8 to \$49 1/4, and GM at \$78 1/4 was 3/8 to the good. After disclosing plans to sell its Cherokee Jeep model in Europe, American Motors put on 3/4 to \$27 1/4, after trading at \$27 1/4 earlier. Although turnover in the stock market remained sluggish, there was no shortage of special features to enliven the scene. Stock in Bowater Inc. spun off this summer from its UK parent, Bowater Industries, fell 7/8 to \$22 1/4 after First Boston's successful pricing of the \$75m convertible debentures, at a 9 per cent yield. The new debenture has increased the market capitalisation of the paper group and thus tended to discourage the hopes for a takeover bid, perhaps by Mr Rupert Murdoch or Sir James Goldsmith, which have been fuelling the stock price. Other speculative issues included Allied Stores, which added 3/4 to \$52, after \$53. More than 1m shares in Allied, a

long-standing bid favourite, have changed hands this week. The personal computer sector remained under the cloud of Digital Equipment's admission of failure in the retail market. Digital lost a further 3/4 to \$92 1/4. Commodore International, among the more aggressive of the players in the personal computer retail market, eased 3/4 to \$27 1/4. At \$29 1/4, Control Data shed 5/8. Wavering views on interest rates brought falls in bank stocks. J.P. Morgan slipped 1/4 to \$70 1/4 and Chase Manhattan 5/8 to \$42 1/4. In the credit markets, the Federal funds rate remained firm at 11 1/2 per cent despite the intervention by the Federal Reserve. Other short-term rates also held firm, three-month bills at 10 1/2 per cent and six months at 10.33 per cent. At the long end of the bond market, yields were slightly easier in thinning trading. The key long bond, the 12.5 per cent of 2014, was priced at 101 1/2, a gain of 1/8. THE RUMBLINGS of the Johnson Matthey affair echoed through London markets again yesterday, subduing activity in all but Government securities. However, the FT Industrial ordinary share index, which started 8.2 lower, closed 1.7 up at 858.8. Johnson Matthey's listing was restored early in the day but at the much reduced level of 80p. Heavy trading developed, and the price rose to 103p before closing at 98p, a pale shadow of the pre-suspension level of 240p. Gilt-edged stocks began marginally easier, but the market later encountered good domestic demand which enabled the authorities to sell. Business broadened late to embrace both conventional and index-linked gilts, with longer-dated issues in the former category leading the advance. Some closed a net 1/4 up on the session, while both the conventional shares and index-linked issues achieved gains stretching to 1/2. Chief price changes, Page 32; Details, Page 33; Share information service, Pages 34-35

TOKYO

Foreigners cash in blue chips

A WAVE of blue-chip selling, triggered by the overnight slide on Wall Street, sent share prices substantially lower in Tokyo yesterday, writes Shigeo Nishiwaki in Fiji Press. The Nikkei-Dow market average shed 113.74 to 10,540.05. Volume shrank from 482.82m shares on Monday to 324.83m, and losers outpaced gainers by 446 to 230, with 189 issues unchanged. Many blue chips had been in a liquidation phase since late last week after foreign investors and domestic institutions failed to buy these issues as energetically as expected. The overnight dip below 1,200 by the Dow Jones industrial average in New York spurred fresh selling of blue chips. Foreign investors placed sell orders for 1.2m Toshiba shares in the morning, sending the issue to close 78 lower at Y450. Internationally popular blue chips retreated almost across the board, with Hitachi falling Y23 to Y882, NEC Y30 to Y1,250 and Matsushita Electric Industrial Y40 to Y1,860. High-priced blue chips also suffered big losses. Sony fell Y80 to Y3,880, and TDK Y140 to Y5,380. Some incentive-backed issues found demand, with Sumitomo Light Metal attracting speculative buyers against a backdrop of brisk magnetic disk demand and the improved buy-sell ratio. The issue topped the most active list for the second consecutive day, with 18.82m shares changing hands. But its stock price closed unchanged at Y315, having scored a rise of Y17 at one point. Mitsubishi Mining and Cement, the second most active stock with 11.12m shares traded, fell Y11 to Y357, and Nis-

sin Electric Y13 to Y552. NHK Spring was unchanged at Y389. Foreign buy orders placed with the big four securities companies in the morning totalled 12.5m shares against sell orders for 26m. As a result, leading brokerage houses expect incentive-backed issues to be the market pace setter for the time being. Bond prices edged down on small-lot selling. The yield on the benchmark 1.5 per cent long-term government bond, maturing in January 1993, rose slightly from 7.120 per cent to 7.125 per cent. EUROPE External influences dominate CONCERN over the outlook for Wall Street and the future direction of the dollar left European investors hesitant to commit fresh funds yesterday, and many of the major bourses were lower in light trading volume. In Frankfurt, a 4.5 decline to 1,055.5 by the Commerzbank index was considered by some analysts to have been overdue, in view of the sparse volume. Foreign investors were virtually absent, with most of the trading activity generated by profit-taking, in the wake of the market's recent highs, and by some book squaring. High technology issues were particularly affected, with Nixdorf down DM 4.50 to DM 531.50 and PKI a sharp DM 14 lower at DM 543. In electricals, Siemens shed DM 1.40 to DM 433.80, while AEG dipped DM 2.20 to DM 109.30, after the recent gains. Among motor manufacturers, VW eased DM 1 to DM 182.50, Daimler DM 6 to DM 586 and BMW DM 5 to DM 385. Porsche fell DM 19 to DM 1,040. Dresdner Bank dipped DM 1.30 to DM 187.50 despite comments from the chair-

man that earnings exceeded expectations in the first eight months, promising a satisfactory result for the year. Bonds were marginally firmer in light trading, and the Bundesbank sold DM 9.1m of paper to balance the market, following its sales totalling DM 3.2m on Monday. Few buyers were to be found in Zurich, but traders took heart from the absence of any widespread selling, indicating continued support for the market. Swissair was depressed by the firm dollar, falling SwFr 25 to SwFr 950, while in financials Jacobs-Suchard shed SwFr 75 to SwFr 5,850. Modest selling pressure and an absence of demand left Amsterdam easier. Unilever fell Fl 2.80 to Fl 286.50, and Royal Dutch was Fl 1.40 lower at Fl 176.20. Akzo shed Fl 1.30 to Fl 95.10, and KLM 50 cents to Fl 188. Boskalis eased 20 cents to Fl 9.50 as it said it was considering concentrating its activities on the main dredging sector. The continuing dispute at the state-controlled Renault group again contributed to restatements in Paris, while Brussels managed to close mixed, though trading was light. Among strong performers, market leader Petrofina rebounded from Monday's decline, adding Bfr 100 to Bfr 7,640, and financial holding company Sofina added Bfr 150 to Bfr 7,500. Utilities were also firmer after the declines seen last week, with Unerg up Bfr 40 to Bfr 1,600 and Ebes adding Bfr 15 to Bfr 2,820. Milan was mostly easier, led by Fiat, which shed L34 to L1,758. However, holding company Centrale, which was L1 lower at L1,930 at the close, climbed to L1,970 in unofficial dealings after renewed market speculation of a bid for a stake in its publishing house. Montedison, which added L10 to L1,193 at the close, later traded as high as L1,210 in after-bourse dealings amid expectations that the chemical group might break even this year. Madrid turned marginally higher, led by the construction and banking sectors, while Stockholm was lower in quiet trading.

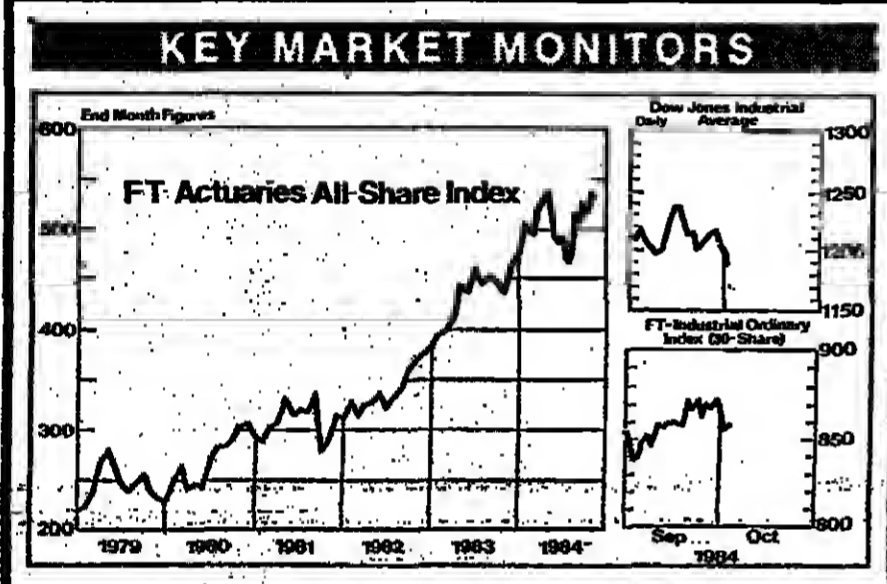


Table with columns for Stock Market Indices (New York, London, Tokyo, Australia, Austria, Belgium, West Germany, Hong Kong, Italy, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, World), Currencies (U.S. Dollar, Sterling), Interest Rates (Euro-currencies, FT London Interbank), U.S. Bonds, and Commodities (Chicago U.S. Treasury Bonds, U.S. Treasury Bills, Certificates of Deposit, London Three-month Eurodollar, 20-year National Gilt, 50,000 32nds of 100%, Commodities).

LONDON Confidence is slowly regained

THE RUMBLINGS of the Johnson Matthey affair echoed through London markets again yesterday, subduing activity in all but Government securities. However, the FT Industrial ordinary share index, which started 8.2 lower, closed 1.7 up at 858.8. Johnson Matthey's listing was restored early in the day but at the much reduced level of 80p. Heavy trading developed, and the price rose to 103p before closing at 98p, a pale shadow of the pre-suspension level of 240p. Gilt-edged stocks began marginally easier, but the market later encountered good domestic demand which enabled the authorities to sell. Business broadened late to embrace both conventional and index-linked gilts, with longer-dated issues in the former category leading the advance. Some closed a net 1/4 up on the session, while both the conventional shares and index-linked issues achieved gains stretching to 1/2. Chief price changes, Page 32; Details, Page 33; Share information service, Pages 34-35

HONG KONG

HONG KONG marked time yesterday ahead of today's local holiday. Relatively quiet trading saw the Hang Seng index fall 4.09 to 965.10. Sharply lower interim results by the Wheelock Marden group as well as financial difficulties in a number of property companies tended to depress the market. Wheelock Marden A finished down 10 cents at HK\$3.37 as investors took their first opportunity to react to the 40 per cent drop in profits. Jardine Matheson, another group with sharply lower interim profits, lost a further 25 cents to HK\$7.75. In banks, Hang Seng was unchanged at HK\$35, but Hongkong Bank slipped 5 cents to HK\$6.85.

SINGAPORE

A LOWER trend was seen in Singapore, reflecting investors' unease over the recent performance of Wall Street. The Straits Times industrial index shed 7.79 to 885.64, but turnover rose to 7.7m shares from Monday's 5.8m. Smaller speculative stocks fared slightly better than the rest of the market, and major shares in all sectors ended marginally lower. Among actively traded issues, Dah Yung shed 8 cents to S\$3.00, and Pan Electric closed unchanged at S\$3.28.

SOUTH AFRICA

GOLD SHARES ended mostly easier in Johannesburg in thin trading, with the bullion price continuing little changed. Kloof shed 50 cents to R51.50 while a 25-cent decline was seen in Grootvlei at R15.50. Other minings and financials were mixed, and in platinum Impala added 15 cents to R22 while Rustenburg was down 20 cents at R15.40. Diamond share De Beers added 3 cents to R8.83. Industrials were also mixed.

AUSTRALIA

SOME bargain-hunting was seen in Sydney, but a round of profit-taking left prices easier in quiet trading. Properties and oil and gas declined while mining and banks were mixed. The All-Ordinaries index slipped 1.5 to 788.9. Nicholas Kiwi rose a further 25 cents to A\$4.85 as speculation continued of a bid from the U.S.

Province of Manitoba Canada DM 200,000,000 7% Bonds due 1994. Includes logos for Westdeutsche Landesbank Girozentrale, Algemene Bank Nederland N.V., Credit Suisse First Boston Limited, Merrill Lynch Capital Markets, The Nikko Securities Co., (Europe) Ltd., Richardson Greenshields of Canada (UK) Limited, Salomon Brothers International, Wood Gundy Inc., and various international banks.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div. Yld.	P/E	100s High	Low	12 Month High	Low	Stock	Div. Yld.	P/E	100s High	Low	12 Month High	Low	12 Month High	Low	Stock	Div. Yld.	P/E	100s High	Low	12 Month High	Low	12 Month High	Low	Stock	Div. Yld.	P/E	100s High	Low	12 Month High	Low					
49.25	13.15	AAR	4.2	25	25	22	22	22	22	7	11	11	11	11	11	11	11	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7				
49.25	13.15	AMCA	4.2	25	25	22	22	22	22	7	11	11	11	11	11	11	11	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7				
49.25	13.15	AMR	4.2	25	25	22	22	22	22	7	11	11	11	11	11	11	11	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7			
49.25	13.15	AMT	4.2	25	25	22	22	22	22	7	11	11	11	11	11	11	11	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7		
49.25	13.15	AMT	4.2	25	25	22	22	22	22	7	11	11	11	11	11	11	11	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
49.25	13.15	AMT	4.2	25	25	22	22	22	22	7	11	11	11	11	11	11	11	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices. Columns include Stock, Div. Yld., P/E, 12 Month High, 12 Month Low, and Change. Stocks listed include ADI, ADM, AMT, ANI, AT&T, etc.

Continued on Page 32

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices. Columns include Stock, Div. Yld., P/E, 12 Month High, 12 Month Low, and Change. Stocks listed include AIG, AIGP, AIGS, AIGT, etc.

Notes regarding stock figures, dividends, and other financial details. Includes text about 'Sales figures are unaudited' and 'Dividend also extra'.

World Value of the Dollar every Friday in the Financial Times. A promotional graphic with large text.

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia (continued), Japan (continued), Belgium/Luxembourg, Denmark, France, Netherlands, and Switzerland. Columns include country, date, price, and change.

Table titled 'OVER-THE-COUNTER' showing Nasdaq national market prices. Columns include stock name, bid, ask, high, low, and change.

Table titled 'LONDON' showing Chief price changes. Columns include stock name, price, and change. Sub-sections include RISES and FALLS.

Table titled 'CANADA' showing Toronto closing prices for October 2. Columns include stock name, high, low, close, and change.

Table titled 'MONTREAL' showing closing prices for October 2. Columns include stock name, high, low, close, and change.

Table titled 'AMERICAN STOCK EXCHANGE CLOSING PRICES' showing closing prices for various stocks. Columns include stock name, high, low, close, and change.

Table titled 'AMERICAN STOCK EXCHANGE CLOSING PRICES' (Continued from Page 31) showing closing prices for various stocks.

Table titled 'AMERICAN STOCK EXCHANGE CLOSING PRICES' (Continued from Page 40) showing closing prices for various stocks.

Table titled 'AMERICAN STOCK EXCHANGE CLOSING PRICES' (Continued from Page 40) showing closing prices for various stocks.

MARKET REPORT

Gilts lead as markets regain their confidence; Johnson Matthey sharply lower

Account Dealing Dates
Option
First Declared Last Account
Dealing Dates Dealing Day
Sept 17, Sept 27, Sept 28, Oct 2

FINANCIAL TIMES STOCK INDICES
Table with columns: Index, Oct 2, Oct 1, Sept 27, Sept 26, Sept 25, Year ago

HIGHS AND LOWS S.E. ACTIVITY
Table with columns: Index, High, Low, S.E. Activity

Bankers continued to cast a shadow over Charter Consolidated, which dipped to 215p before recovering to close unchanged on balance at 220p.

Bankers continued to cast a shadow over Charter Consolidated, which dipped to 215p before recovering to close unchanged on balance at 220p.

EQUITIES
Table with columns: Issue, Price, % Change, Stock, Dividend Yield

FIXED INTEREST STOCKS
Table with columns: Issue, Price, % Change, Stock, Dividend Yield

"RIGHTS" OFFERS
Table with columns: Issue, Price, % Change, Stock, Dividend Yield

ACTIVE STOCKS OPTIONS
Table with columns: Stock, Price, % Change, Options

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Index, % Change, etc.

FIXED INTEREST
Table with columns: Index, % Change, etc.

NEW HIGHS AND LOWS FOR 1984

Table with columns: NEW HIGHS (28), NEW LOWS (29)

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Nov., Last, etc.

LONDON TRADED OPTIONS

Table with columns: Option, Oct., Jan., Apr., etc.

Financial Times, London, EC4R 4B, price 15p, by post 20p. Corrected figures for 10/1/84 Day's High 1137.5 and Day's Low 1217.

PEOPLE That's BTR

FT LONDON SHARE INFORMATION SERVICE

Table with columns: Stock, Price, % Chg, High, Low, Bid, Offer, etc. Includes entries for AGA, AGC, AIA, etc.

INDUSTRIALS (Miscel.)

Large table of industrial stocks including AIA, AIA, AIA, etc. with columns for stock name, price, and change.

ENGINEERING—Continued

Table of engineering stocks including Birmingham, Birm, etc. with columns for stock name, price, and change.

DRAPERY & STORES—Cont.

Table of drapery and stores stocks including J. & J., etc. with columns for stock name, price, and change.

BEERS, WINES—Cont.

Table of beer and wine stocks including Whitbread, etc. with columns for stock name, price, and change.

AMERICANS

Table of American stocks including Abbott Lab, etc. with columns for stock name, price, and change.

BRITISH FUNDS

Table of British funds including various investment funds with columns for fund name, price, and change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and roads stocks including Balfour Beatty, etc. with columns for stock name, price, and change.

ELECTRICALS

Table of electrical stocks including AB Electronics, etc. with columns for stock name, price, and change.

CANADIANS

Table of Canadian stocks including Bank of Montreal, etc. with columns for stock name, price, and change.

Over Fifteen Years

Table of long-term performance data for various funds and stocks.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table of international bank and overseas government sterling issues.

BANKS, HP & LEASING

Table of bank, home products, and leasing stocks.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks.

DRAPERY AND STORES

Table of drapery and stores stocks.

FOOD, GROCERIES, ETC

Table of food, grocery, and other consumer goods stocks.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS Building Societies

Table of loans from building societies.

Public Board and Ind.

Table of public board and industrial stocks.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail stocks.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks.

ENGINEERING

Table of engineering stocks.

HOTELS AND CATERERS

Table of hotel and catering stocks.

Handwritten signature or mark at the bottom of the page.

INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Petroleum, ICI, and various engineering firms.

LEISURE—Continued

Table of leisure stock prices including companies like British Airways, British Overseas Airways, and various travel agencies.

PROPERTY—Continued

Table of property stock prices including companies like British Land, Anglo-Siam, and various real estate firms.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including various funds like British Overseas Investment Trust, etc.

MOTORS AND CYCLES TRADES

Table of motor and cycle trade stock prices including companies like British Motor Vehicle, etc.

MOTORS AND CYCLES

Table of motor and cycle stock prices including companies like British Motor Vehicle, etc.

SHIPPING

Table of shipping stock prices including companies like British Overseas Airways, etc.

OIL AND GAS—Continued

Table of oil and gas stock prices including companies like British Petroleum, etc.

COMMERCIAL VEHICLES

Table of commercial vehicle stock prices including companies like British Motor Vehicle, etc.

COMPONENTS

Table of component stock prices including various parts and accessories.

SHOES AND LEATHER

Table of shoes and leather stock prices including various footwear companies.

OVERSEAS TRADERS

Table of overseas traders stock prices including various international trading firms.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices including companies like News International, etc.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices including various media companies.

TEXTILES

Table of textile stock prices including various textile manufacturing companies.

PLANTATIONS

Table of plantation stock prices including various agricultural and land companies.

INSURANCES

Table of insurance stock prices including various insurance companies.

PROPERTY

Table of property stock prices including various real estate and land companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including various financial and investment firms.

MINES

Table of mines stock prices including various mining and mineral companies.

LEISURE

Table of leisure stock prices including various entertainment and travel companies.

PROPERTY

Table of property stock prices including various real estate and land companies.

OIL AND GAS

Table of oil and gas stock prices including various energy and fuel companies.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices including various precious metal companies.

International Finance DAIWA SECURITIES advertisement with logo and contact information.

MINES—Continued table listing various mining companies and their stock prices.

NOTES section containing financial notes and disclosures regarding the data.

REGIONAL & IRISH STOCKS table listing regional and Irish stock prices.

OPTIONS—3-month call rates table listing option prices for various stocks.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as British Group-Continued, Abbey Unit Trust, and others, with columns for name, manager, and performance metrics.

Table listing unit trusts under the heading 'Key Fund Managers Ltd. (x)(g)', including names like Key Fund Managers Ltd. and their respective fund details.

Table listing unit trusts under the heading 'Perpetual Unit Trust Mgmt. (a)', including names like Perpetual Unit Trust Mgmt. and their respective fund details.

Table listing unit trusts under the heading 'Pacific Unit Trusts', including names like Pacific Unit Trusts and their respective fund details.

Table listing unit trusts under the heading 'Trends Under Unit Trust Managers', including names like Trends Under Unit Trust Managers and their respective fund details.

Table listing unit trusts under the heading 'Transatlantic and Gen. Secs. (c)', including names like Transatlantic and Gen. Secs. and their respective fund details.

Table listing unit trusts under the heading 'Trust Management Co. Ltd.', including names like Trust Management Co. Ltd. and their respective fund details.

Table listing unit trusts under the heading 'L & G Unit Trust Management Ltd.', including names like L & G Unit Trust Management Ltd. and their respective fund details.

F.T. CROSSWORD PUZZLE No. 5,533 ACROSS 1 So B.C. must be there? Stick with it (6) 2 Refused to go through the cases with daughter (8) 3 One of the strings behind South African recognition (6) 4 A ton is significant in the final figure (8) 5 City area where an animal will go to find something to eat (6) 6 A jumpy sort of dog? (8) 7 It's on the cards that the expert will outface the court (3) 8 Eastern flower festival (6) 9 Thought to be thrown into the grass (7) 10 Considerable pull is required for architect to get a decoration (6) 11 It takes a long time to grow old (8) 12 Could be a page item or a very small piece (8) 13 Plunder from Mary? (6) 14 Establish one's influence on the creature (8) 15 Legal official with financial connections (6) 16 Following previous misdeed, Edward made menacing demands (8) 17 Settled on a silver toy of instrument (6) 18 Responded to news read badly (8) 19 The weak don't give so much assistance (8) 20 Personal servant gets payment in advance (8) 21 Two points on the promontory reveal the way out (6) 22 Promising opportunity to

FT UNIT TRUST INFORMATION SERVICE logo and introductory text.

Table listing unit trusts under the heading 'Midland Bank Group Unit Trusts', including names like Midland Bank Group Unit Trusts and their respective fund details.

Table listing unit trusts under the heading 'Sun Alliance Fund Management Ltd.', including names like Sun Alliance Fund Management Ltd. and their respective fund details.

Table listing unit trusts under the heading 'Scottish Life Assurance Co. Ltd.', including names like Scottish Life Assurance Co. Ltd. and their respective fund details.

Table listing unit trusts under the heading 'Scottish Widows Fund Management', including names like Scottish Widows Fund Management and their respective fund details.

Table listing unit trusts under the heading 'Standard Life Trust Mgmt. Ltd.', including names like Standard Life Trust Mgmt. Ltd. and their respective fund details.

Table listing unit trusts under the heading 'Stewart Unit Trust Managers Ltd.', including names like Stewart Unit Trust Managers Ltd. and their respective fund details.

Handwritten signature 'J. S. ...' and other illegible text at the bottom of the page.

Handwritten text at the top center of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for Liberty Life Assurance Co Ltd, National Provident Institution, and other insurance companies.

Table of financial data for Sare & Procter Group, Target Life Assurance Co Ltd, and other insurance companies.

Table of financial data for CAL Investments (IHM) Ltd, Croydon Henderson Mgt Ltd, and other investment firms.

Table of financial data for various international and domestic investment funds, including Phoenix International, Standard Life Assurance, and others.

OFFSHORE AND OVERSEAS

Table of financial data for offshore and overseas investment funds, including Acthous Investment Fund SA, Fidelity International, and others.

Money Market Trust Funds

Table of financial data for Money Market Trust Funds, including Malvern Ltd, Royal Trust International, and others.

Money Market Bank Accounts

Table of financial data for Money Market Bank Accounts, including various banks and their services.

NOTES section at the bottom right of the page.

COMMODITIES AND AGRICULTURE

Aluminium output cut fails to lift prices

By John Edwards, Commodities Editor
ANOTHER BIG aluminium producer, Vereinigte Aluminium Werke of West Germany, yesterday announced it was cutting output. The company said it was cutting production by more than 10 per cent (equivalent to 40,000 tonnes) due to high stocks on the world market.

The news, however, gave aluminium prices on the London Metal Exchange yesterday only a temporary boost. When the market failed to respond much, renewed selling pressure came in encouraged by the steeper three-month quotation eventually closed 25.75 lower at 2595.75 a tonne.

West Germany defies EEC milk quota rules

BY IVO DAWNAY IN LUXEMBOURG

WEST GERMANY has defied the "superlevy" regulations aimed at cutting EEC milk production, by exempting thousands of small farmers from more than half the reduction required.

Although a reduced rate of cuts by small producers will be made up by greater cuts by large dairy farms, the German move is believed by Commission experts to ignore both the letter and spirit of the regulations even if it has not been officially sanctioned.

U.S. ruling on 'foreign' futures trading

BY NANCY DUNNE IN WASHINGTON

A SUPREME COURT ruling issued Monday will allow suits against foreign companies which trade in the U.S. futures markets, to be tried in U.S. courts, according to an attorney for the Commodity Futures Trading Commission.

Union, for failing to protect the interests of small Bavarian farmers. The West Germans had already attempted to force the cessation through a meeting of the Community's milk management committee, but were formally forbidden to do so.

It is understood that Italy for example has made virtually no attempt even to inform its farmers what their quotas should be. Instead it is insisting that any penalty for over-production should be allowed to be paid by the national treasury.

Ivory Coast raises coffee and cocoa prices

IVORY COAST cocoa and coffee producer prices for the 1984-85 season, which officially opened October 1, have been raised for the second successive year, according to presidential decrees published today.

It is understood that Italy for example has made virtually no attempt even to inform its farmers what their quotas should be. Instead it is insisting that any penalty for over-production should be allowed to be paid by the national treasury.

Israel aims to boost non-citrus sales through product innovation

PRIVATE experts from Israel, which has no diplomatic relations with Peking, will soon be advising China on ways to develop its agriculture, Maariv, the Hebrew evening newspaper, reported yesterday.

It is expected that sweetcorn will arrive here by air at the rate of 50 to 60 tonnes a week from late-October to May, with perhaps a gap in February. The volume despatched in subsequent years.

PRICE CHANGES

Table with columns for commodity names, Oct 2 1984, +/-, Month ago, Oct 9 1984, +/-, Month ago. Includes items like Metal, Aluminium, Copper, etc.

BRITISH COMMODITY PRICES

Table with columns for commodity names, Three months, 94 turnover, etc. Includes items like BASE METALS, COFFEE, SILVER, COPPER, etc.

AMERICAN MARKETS

Table with columns for commodity names, NEW YORK, etc. Includes items like SOYABEAN MEAL, SUGAR, GRAINS, etc.

NEW YORK, October 2

Table with columns for commodity names, Close, High, Low, Prev. Includes items like COCOA, SUGAR, etc.

LONDON OIL SPOT PRICES

Table with columns for commodity names, Latest, Change +/-, etc. Includes items like CRUDE OIL, ARABIAN LIGHT, etc.

WEEKLY METALS

Table with columns for commodity names, All prices as supplied by Metal Bulletin, etc. Includes items like LEAD, ZINC, ALUMINIUM, etc.

GOLD MARKETS

Table with columns for commodity names, Close, etc. Includes items like Gold, Silver, etc.

LONDON FUTURES

Table with columns for commodity names, Month, etc. Includes items like COCOA, etc.

EUROPEAN MARKETS

Table with columns for commodity names, Paris, etc. Includes items like Sugar, etc.

COCAOA

Table with columns for commodity names, Future prices, etc. Includes items like COCAOA, etc.

ALUMINIUM

Table with columns for commodity names, Future prices, etc. Includes items like ALUMINIUM, etc.

NICKEL

Table with columns for commodity names, Future prices, etc. Includes items like NICKEL, etc.

INDICES

Table with columns for commodity names, Oct 2, etc. Includes items like FINANCIAL TIMES, etc.

REUTERS

Table with columns for commodity names, Oct 9, etc. Includes items like REUTERS, etc.

MOODY'S

Table with columns for commodity names, Oct 1, etc. Includes items like MOODY'S, etc.

DOW JONES

Table with columns for commodity names, Oct 2, etc. Includes items like DOW JONES, etc.

CHICAGO

Table with columns for commodity names, Live Cattle, etc. Includes items like CHICAGO, etc.

COTTON

Table with columns for commodity names, Oct 2, etc. Includes items like COTTON, etc.

CRUDE OIL

Table with columns for commodity names, Oct 2, etc. Includes items like CRUDE OIL, etc.

MEAT/FISH

Table with columns for commodity names, Oct 2, etc. Includes items like MEAT/FISH, etc.

WHEAT

Table with columns for commodity names, Oct 2, etc. Includes items like WHEAT, etc.

WHEAT

Table with columns for commodity names, Oct 2, etc. Includes items like WHEAT, etc.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

FINANCIAL FUTURES

Intervention fears depress \$

The dollar finished around the middle of the day's range yesterday but still closed down from Monday's closing levels. While retaining its strong undertone, the dollar's natural rise, on signs of further U.S. economic growth and high interest rates, was inhibited by the fear of further aggressive intervention by central banks.

Credit policies by the Fed were limited. Little change is expected from the current meeting of the Federal Open Market Committee. Sterling showed very little change during the day and its index closed unchanged from Monday's 76.5. Against the dollar it finished at \$1.2855 from \$1.2875 but eased against the DM-mark to DM 3.7700 from DM 3.7850. It was also weaker against the Swiss franc at Sfr 3.1100 from Sfr 3.1175 and the Japanese yen at ¥246.00 from ¥246.00.

DMARK - Trading range against the dollar in 1984 is 3.1265 to 2.5535. September average 3.6235. Trade weighted index 121.5 against 127.9 six months ago. The dollar was fixed at DM 3.0953 at yesterday's fixing in Frankfurt, up from DM 3.0315 on Monday and the Bundesbank sold a token \$6.85m at the fixing. The dollar continued to fluctuate nervously but with a relatively narrow band. Fears of central bank intervention left the market nervous and kept speculative trading to a minimum. The extent of this tension

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change from central rate, % change adjusted for divergence, Divergence limit %.

Firm undertone

Prices reacted to bearish short-term technicalities but recovered on a basically firm undertone in the London International Financial Futures Exchange yesterday. Following a softer U.S. bond market, the market was faced with a higher Federal funds rate and the absence of any Fed intervention on Monday.

STERLING EXCHANGE RATE INDEX

Table with columns: Time, Index, Previous.

New York rates

Table with columns: Instrument, Rate, Prev. close.

Also looming, like a giant tidal wave...

Also looming, like a giant tidal wave, was the prospect of a bunched and consequently huge U.S. refunding programme. Threatening to flood the market against the background U.S. Treasury bond futures were softer at the outset but U.S. participation later in the day saw values recover on short covering to finish close to the day's high. Gilt prices were marked down

LONDON

Table with columns: Instrument, Rate, High, Low, Prev.

CHICAGO

Table with columns: Instrument, Rate, High, Low, Prev.

POUND SPOT - FORWARD AGAINST POUND

Table with columns: Instrument, Rate, High, Low, Prev.

DOLLAR SPOT - FORWARD AGAINST DOLLAR

Table with columns: Instrument, Rate, High, Low, Prev.

OTHER CURRENCIES

Table with columns: Currency, Rate, Note Rates.

CURRENCY MOVEMENTS

Table with columns: Currency, Movement, % Change.

CURRENCY RATES

Table with columns: Currency, Rate, % Change.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate, % Change.

EURO-CURRENCY INTEREST RATES

Table with columns: Instrument, Rate, % Change.

MONEY RATES

Table with columns: Instrument, Rate, % Change.

LONDON MONEY RATES

Table with columns: Instrument, Rate, % Change.

FT LONDON INTERBANK FIXING

Table with columns: Instrument, Rate, % Change.

MONEY RATES

Table with columns: Instrument, Rate, % Change.

NEW YORK (Lunchtime)

Table with columns: Instrument, Rate, % Change.

TREASURY BONDS

Table with columns: Instrument, Rate, % Change.

EURO-CURRENCY INTEREST RATES

Table with columns: Instrument, Rate, % Change.

MONEY RATES

Table with columns: Instrument, Rate, % Change.

LONDON MONEY RATES

Table with columns: Instrument, Rate, % Change.

NEW YORK (Lunchtime)

Table with columns: Instrument, Rate, % Change.

TREASURY BONDS

Table with columns: Instrument, Rate, % Change.

EURO-CURRENCY INTEREST RATES

Table with columns: Instrument, Rate, % Change.

MONEY RATES

Table with columns: Instrument, Rate, % Change.

LONDON MONEY RATES

Table with columns: Instrument, Rate, % Change.

FT LONDON INTERBANK FIXING

Table with columns: Instrument, Rate, % Change.

MONEY RATES

Table with columns: Instrument, Rate, % Change.

NEW YORK (Lunchtime)

Table with columns: Instrument, Rate, % Change.

TREASURY BONDS

Table with columns: Instrument, Rate, % Change.

Holidays & Travel

Flights

Falcon NO 1 TO SWITZERLAND. Falcon offers the definitive flight service to GENEVA and ZURICH from as little as £59.

COLUMBUS. Over 60% reduction in fares. Special fares to Europe, Africa, Asia, Australia.

CUT THE COST OF FLYING. Return flights from only £110. Sunfare Holidays. 260s Fatlum Road SW10 9LL.

Restaurants. IN THE HEART OF THEATRELAND. MR. TANG. CANTONESE AND SICHUAN CUISINE.

Educational. THE EARLIGHT of St. James's. London's most exciting business school.

Clubs. THE EARLIGHT of St. James's. London's most exciting business school.

FT LONDON INTERBANK FIXING

Table with columns: Instrument, Rate, % Change.

MONEY RATES

Table with columns: Instrument, Rate, % Change.

NEW YORK (Lunchtime)

Table with columns: Instrument, Rate, % Change.

TREASURY BONDS

Table with columns: Instrument, Rate, % Change.

FOREXpertise. You find it in Irving Trust's dedicated professionals. Dedicated to fast, accurate and trouble-free trade executions.

CAPITAL MARKETS

Eurodollar market sighs with relief

BY MAGGIE URRY IN LONDON

THE EURODOLLAR bond market was relieved yesterday that no more deals were launched. Though Monday's crop of three issues held up fairly well, prices generally were up to 1/4 point lower, and traders blamed the weight of new issues.

The massive Chevron issue, now nearly two weeks old, slipped again to a discount to the 9 1/2% issue price of as much as 3/4 point. Dealers said the lead manager was not seen to be supporting the deal.

Rumours abounded of possible floating rate note issues, from British or French banks. There have been few FRNs lately and syndicate managers believe that the market would be receptive to such issues.

In the D-Mark bond market, Monday's United Technologies issue continued to trade well, at around 98 1/2, compared with the 100% issue price. Otherwise the bond market was quiet, with prices regaining early losses to close unchanged on the day.

Swiss franc bonds were slightly better when priced in low Eurodollar markets.

Credit Suisse placed the SwFr 30m convertible private placement for Japanese high-tech group

Table with columns: Oct 2, High, Low, Previous, Low. Data for 100.629, 100.631, 100.631, 96.058.

Takeida Riken with a coupon of 2 1/2 per cent, a cut of 1/4 point from the indicated 2 3/4 per cent. The company's \$40m convertible had also had its coupon cut on Monday from 3 1/2 per cent to 3 per cent.

The SwFr 100m private placement for Aoki Construction was priced by Swiss Volksbank with a coupon of 2 1/2 per cent, down from the indicated 2 3/4 per cent, and with a nil conversion premium.

The Council of Europe is raising Loxfr 600m through a public issue in the domestic market. Banque Internationale a Luxembourg is lead managing the 10-year issue, which has an average life of 8.46 years. The coupon has been set at 10 1/4 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for October 2.

Table of international bond issues with columns: Issuer, Denom, Price, Yield, etc. Includes sections for U.S. Dollar, Deutsche Mark, Swiss Franc, and others.

Table of international bond issues with columns: Issuer, Denom, Price, Yield, etc. Includes sections for Yen, Other Francs, and others.

OVER-THE-COUNTER

Large table of over-the-counter market data with columns: Stock, Sales, High, Low, Last, Day. Includes various stock symbols and their corresponding market data.

Advertisement for Abbey National Cheque-Save account. Features a large graphic of a hand holding a cheque. Text includes: 'There's never been a better time to cheque the rate.', 'Gross Equivalent now 12.93% on balances over £2500', 'CHEQUE-SAVE £2,500 RATE', '9.05% NET APPLIED RATE = 9.25% NET EFFECTIVE ANNUAL RATE', and details about the account's benefits and terms.